



DRC
SYSTEMS

ANNUAL **REPORT**

2023 - 24



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CORPORATE IDENTITY NUMBER:

L72900GJ2012PLC070106

REGISTERED OFFICE:

24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY,
Gandhinagar – 382 355 Gujarat, India

WEBSITE:

www.drccsystems.com

Investor Email- ID:

ir@drccsystems.com

LISTED ON:

The BSE Limited (543268)

The National Stock Exchange of India Limited (DRCCSYSTEMS)

STATUTORY AUDITORS:

M/s. Rajpara Associates
Chartered Accountants

SECRETARIAL AUDITORS:

Mr. Jitendra Leeya
Company Secretaries

BANKERS:

HDFC Bank Limited
Axis Bank Limited
ICICI Bank Limited

REGISTRARS & SHARE TRANSFER AGENTS:

Link Intime India Private Limited

506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business
Centre, Near St. Xavier's College Corner, Off C G Road, Ahmedabad – 380 009

Email: ahmedabad@linkintime.co.in

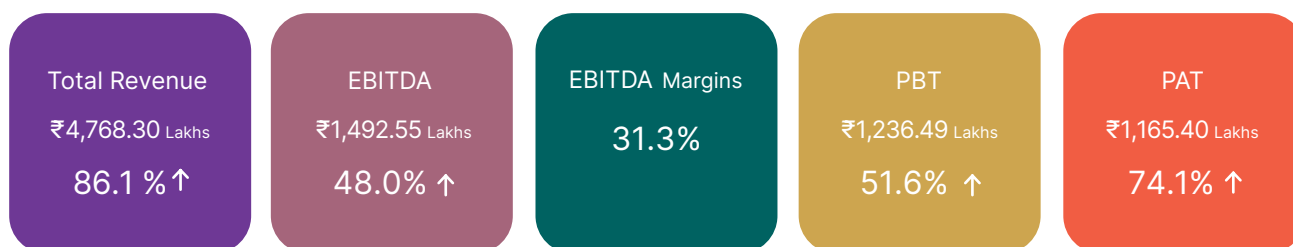
Website: www.linkintime.co.in



Lateral thinking, Creative Thinking, Innovation Delivered



CONSOLIDATED PERFORMANCE HIGHLIGHTS DURING THE YEAR



ABOUT DRC SYSTEMS

13 years of Innovation and Commitment

DRCSYSTEMS is an IT services, consulting and business solutions organisation that has been partnering with many of the world's largest businesses in their transformation journeys for over 13 years. Its consulting-led, cognitive powered, portfolio of business, technology and engineering services and solutions is delivered through its Agile delivery model, recognized as a benchmark of excellence in software development. We have consistently delivered value-for-money and effective solutions through IT for the global market by creating a professional environment for our talent, stakeholders, and clients. During the year, DRCSYSTEMS received its CMMI Level-3 accreditation from ISACA.

For over 13 years, DRCSYSTEMS has been solving complex business problems as a global IT services and solutions provider, leveraging real-world expertise and client centricity. The IT industry was still in its infancy when the company started, but the vision of the founders was clear and strong. DRCSYSTEMS was envisioned as an IT services company that would solve for the exponential

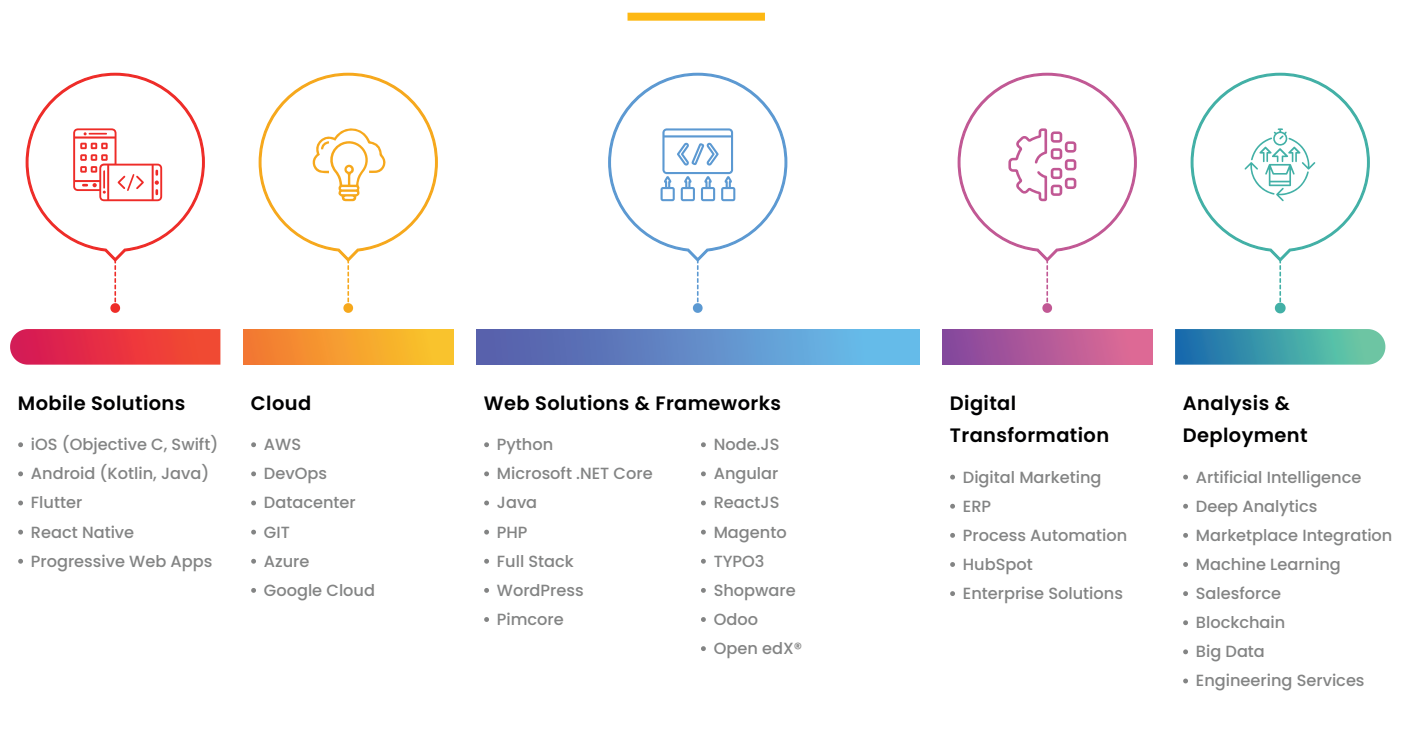
technologies and the rapidly changing world. And here we are today, our operations spread across 3 countries, accelerating the digital transformation journey for our clients. With courage, determination, and perseverance, the founding team created DRCSYSTEMS with business knowledge acquired from decades of experience globally. Our unique heritage provides us the confidence and capabilities to solve the most complex challenges of enterprises across all industries.

Today, we are operating in a new normal world underscored by unprecedented changes. These changing times have taught us that the workplace today is more than just a destination to accomplish goals. It is now a place where individuals, technology, and space connect to spark innovation. The fast-paced evolution across industries have reaffirmed our belief that teamwork makes the dream work, and that there should be no barriers to innovation and collaboration, the essential ingredients to a successful corporate governance philosophy. It is in these turbulent times that we have stepped up.

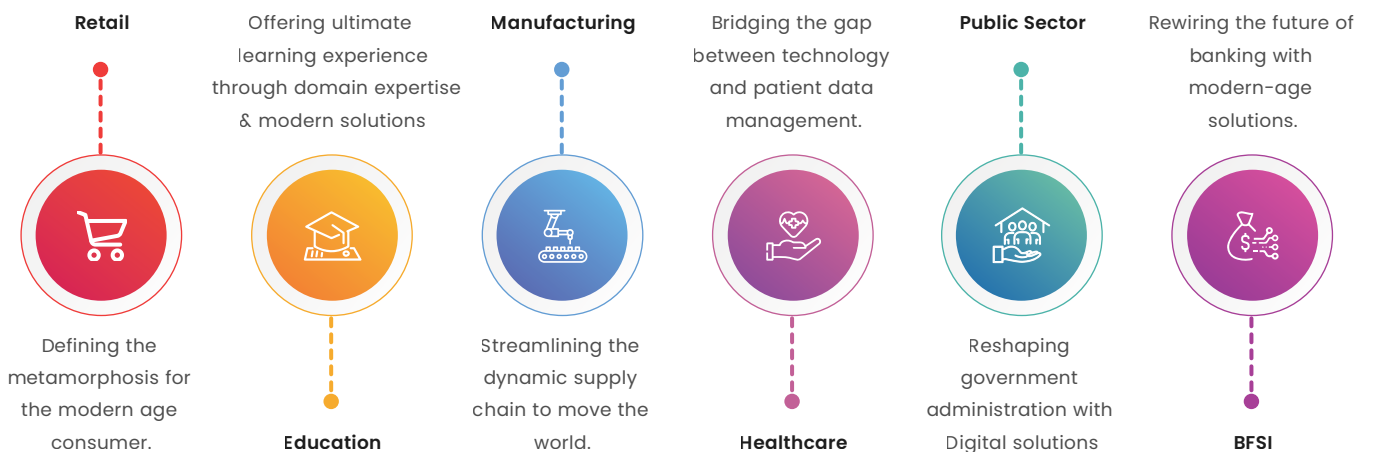
We have made strides to uphold our mission, vision, and values; to continually transform by reimagining our capabilities and embracing innovative leadership approaches. We have walked the extra mile, recalibrated our investment approach, embarked on a sustainable journey, and identified new opportunities that will propel us to bring greater value to our clients.

DRCSYSTEMS, with its full services capability, helps clients thrive in good times and bad. It helped them move to the cloud, accelerate their innovation, adopt new business models and drive competitive differentiation. Now it is helping them adapt, transforming their operations and giving them the agility, resilience and efficiency needed to weather the storm. Its clients see it as their preferred all-weather partner, making its services an enterprise staple, and its business very resilient. We transform and streamline the business activities of enterprises and deliver smart solutions that save time and improve the workflow.

OUR TECH SPECTRUM



VERTICALS

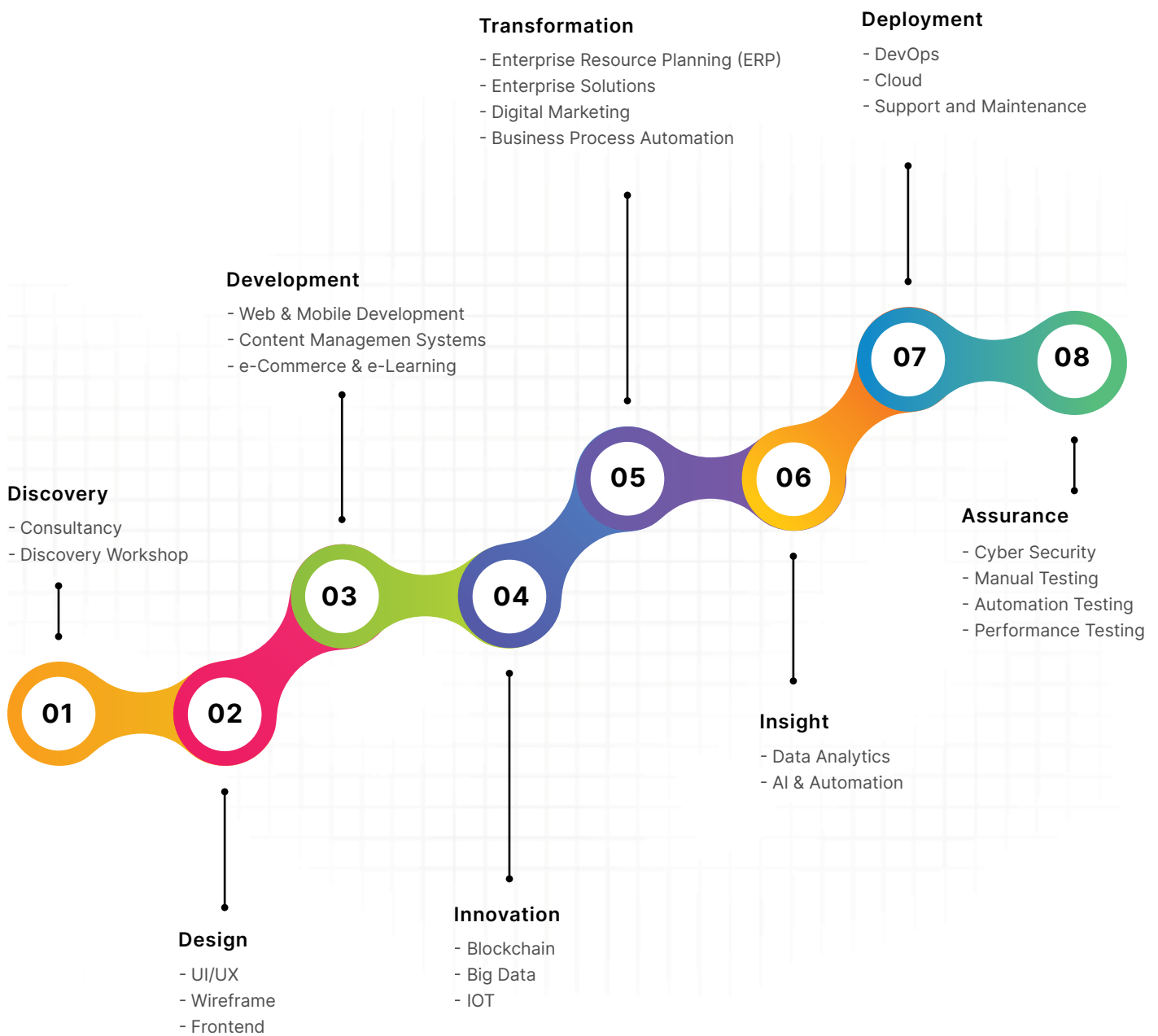




THE BEST PLACE TO WORK



Our Services and Processes



Few Customers and Partnerships



National Skill Development Corporation - NSDC



Wipro Foundation



Indian Institute of Management, Bangalore



Indian Institute of Management, Ahmedabad



The Ahmedabad University



Adventure Island



Gem And Jewellery Export Promotion Council



Gujarat Metro Rail Corporation (GMRC) Limited



EZMS L.L.C-FZ



Baako Consulting LLC



Governance & Accountability Institute



Code Creative Digital Marketing



Ventek Limited Inc

Board of Directors & Key Managerial Personnel:



Mr. Keyur Shah

Non-Executive Independent Director & Chairman

- M** Audit Committee
- M** Nomination and Remuneration Committee
- C** Stakeholders Relationship Committee



Mr. Hiten Barchha

Managing Director (KMP)

- M** Audit Committee
- M** Corporate Social Responsibility Committee



Mr. Janmaya Pandya

Executive Director and Chief Financial Officer (KMP)

- M** Corporate Social Responsibility Committee



Mr. Sanket Khemuka

Non- Executive Director

- M** Nomination and Remuneration Committee

Board Committees: **C** Chairman **M** Member



Mr. Rookkishan Dave

Independent Director

- M** Audit Committee
- C** Nomination and Remuneration Committee
- M** Stakeholders Relationship Committee

Mr. Jigar Shah

Independent Director

- C** Audit Committee
- M** Nomination and Remuneration Committee
- M** Stakeholders Relationship Committee
- C** Corporate Social Responsibility Committee



Ms. Dipti Chitale

Independent Director

Mr. Jainam Shah

Company Secretary and Compliance Officer (KMP)

Board Committees: **C** Chairman **M** Member

Chairman's Message

I am excited to announce that DRC Systems India Limited has delivered outstanding financial performance this fiscal year. Our revenue saw substantial growth, reaching ₹ 4768.30 lakhs—a 86% increase year-over-year. Additionally, our profitability improved significantly, with EBITDA up by 48% to ₹ 1492.55 lakhs and Profit After Tax (PAT) increasing by 74% to ₹ 1165.40 lakhs.



Fiscal 2024 has been a transformative year for DRC Systems. We have shown not just resilience but a strong commitment to innovation and growth as we strategically repositioned ourselves as a globally focused technology leader. In a rapidly changing and competitive environment, we have been able to deliver significant value to our stakeholders by expanding our footprint internationally, particularly through our entry into the US market and by strengthening our operations in the Middle East region through strategic collaborations with local partners.

Our success is largely attributed to the timely and decisive leadership of our Managing Director, whose strategic pivot has yielded impressive results. The outcome is clear in our annual performance, with consolidated revenue, EBITDA, and PAT increasing by 86%, 48%, and 74%, respectively.

We have also made key strategic moves to bolster our innovation capabilities, forge partnerships, acquire cutting-edge companies, and enhance operational efficiency. Notably, we entered a joint venture with UAE-based EZMS LLC FZ, offering Platform as a Service (PaaS) on a Low-Code No-Code (LCNC) platform. This collaboration has opened lucrative business opportunities in the UAE Free Zones and across the Middle East.

In addition, DRC Systems achieved the prestigious CMMI Level 3 certification from the US-based CMMI Institute, underscoring our commitment to excellence in software development and our ability to consistently meet and exceed customer expectations.

In FY 2023-24, we also advanced our technological capabilities by incorporating Artificial Intelligence (AI), Machine Learning (ML), and Blockchain into our operations through a strategic investment in Nighthack Technology Private Ltd, a Bangalore-based firm specializing in these cutting-edge technologies.

Under the dynamic leadership of our Managing Director, Mr. Hiten Barchha, we have ventured into new territories with meticulous preparation. It gives me great pride to say that your company is well-positioned for significant growth in the coming years.

As I look into the future, I see our expanding product portfolio built over AI, ML and Blockchain and immense international expansion, backed by the company's technology prowess.

There is a renewed sense of energy within the company, driven by a focus on innovation and strategic preparation. As the saying goes, "Success occurs when opportunity meets preparation."

I am confident in stating that FY23-24 was a year of preparation under exceptional leadership, setting the stage for DRC Systems to seize the vast opportunities that lie ahead. After all, "the future belongs to those who prepare."

Thank You,
Keyur Shah
Chairman



MD's Message

Transforming Ideas into Digital Realities

Dear Shareholders, Customers, and Stakeholders,

As we conclude another remarkable year, I am filled with immense pride and gratitude for the collective efforts that have propelled our organisation towards unprecedented heights. Our unwavering commitment to our theme, "Transforming Ideas into Digital Realities," perfectly encapsulates our journey of innovation, growth, and excellence.

This year, we have not only envisioned the future but actively shaped it. Our financial performance is a testament to our strategic acumen and operational excellence. We have consistently exceeded expectations, demonstrating our ability to navigate a dynamic market landscape with resilience and innovation.

Our journey of transformation extends beyond financial metrics. We have fostered a culture of innovation, where ideas are nurtured, and talent is empowered. Our employees, with their passion and dedication, have been instrumental in driving our success. We have streamlined our processes, enhanced efficiency, and delivered exceptional value to our clients.

Technology is at the core of what we do, and this year has been no exception. We have continued to invest in cutting-edge technologies, such as AI, Blockchain, and advanced eLearning platforms, ensuring that we stay ahead of the curve. From enhanced mobile and web platforms to advanced AI-driven solutions, our offerings are tailored to provide maximum value and drive tangible results. Our R&D efforts have led to the introduction of new services and products that cater to the evolving needs of our clients, positioning us as leaders in the digital transformation space.

Our track record of delivering exceptional results speaks for itself. This year, we have successfully completed numerous high-impact projects across diverse industries. Each of these projects has been a testament to our ability to transform ambitious ideas into practical, scalable digital solutions.



We are proud of the positive impact our work has had on our clients' businesses, driving their growth and innovation.

As we move forward, our focus will remain on driving growth through innovation, operational excellence, building strategic partnerships, investments in research and development, expansion of global footprint and client-centricity. We are committed to exploring new horizons, transforming more ideas into digital realities, and delivering exceptional value to all our stakeholders.

I would like to express my sincere gratitude to our shareholders for their unwavering support, our customers for their trust, and our employees for their dedication. Together, we have built a strong foundation for the future.

I am confident that with our collective wisdom, expertise, and unwavering focus, we will continue to transform ideas into digital realities and create sustainable value for all stakeholders.

Thank You,
Hiten Barchha
Managing Director

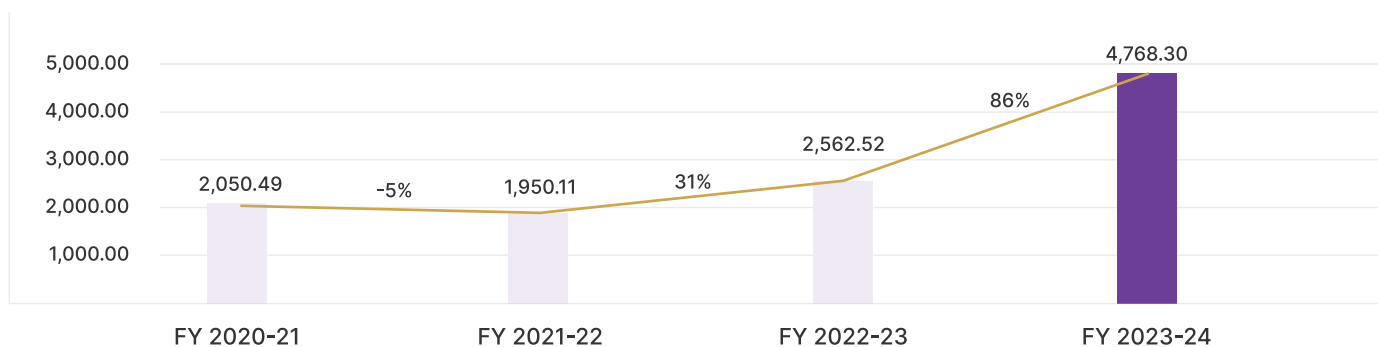
Delivering Strong Financials

Key Performance Indicators

1. Revenue from Operations ▲ 86.1%

(₹ in Lakhs)

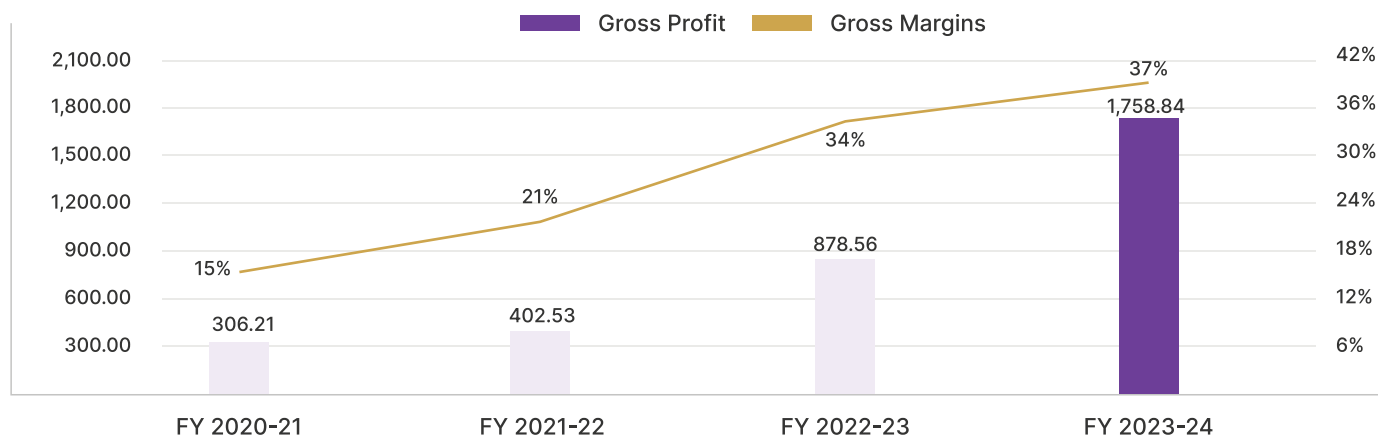
Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Revenue from Operations	2,059.49	1,950.11	2,562.52	4,768.30



2. Gross Profit and Margins ▲ 100.2%

(₹ in Lakhs)

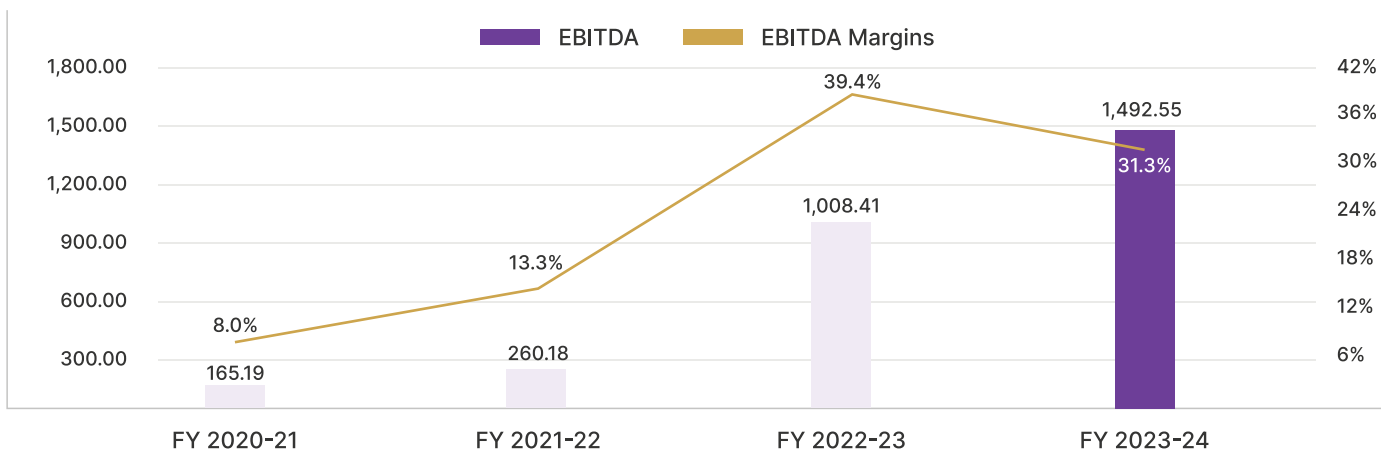
Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Gross Profit	306.21	402.53	878.56	1,758.84
Gross Margins	15%	21%	34%	37%



3. EBITDA and EBITDA Margins ▲ 48.0%

(₹ in Lakhs)

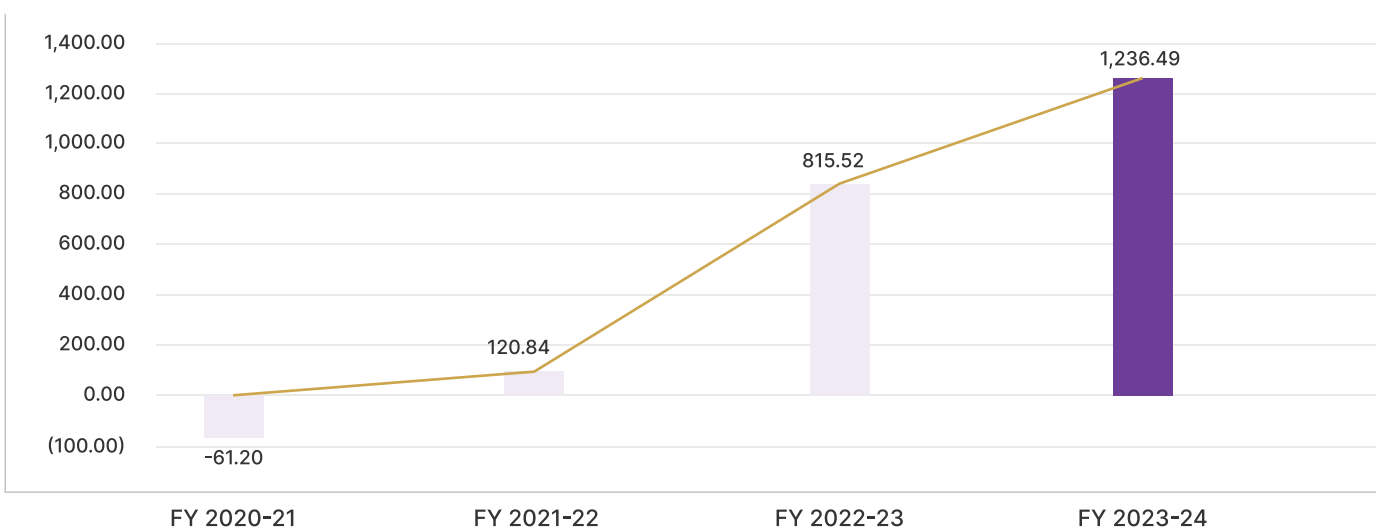
Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
EBITDA	165.19	260.18	1,008.41	1,492.55
EBITDA Margins	8.0%	13.3%	39.4%	31.3%



4. Profit before tax ▲ 51.6%

(₹ in Lakhs)

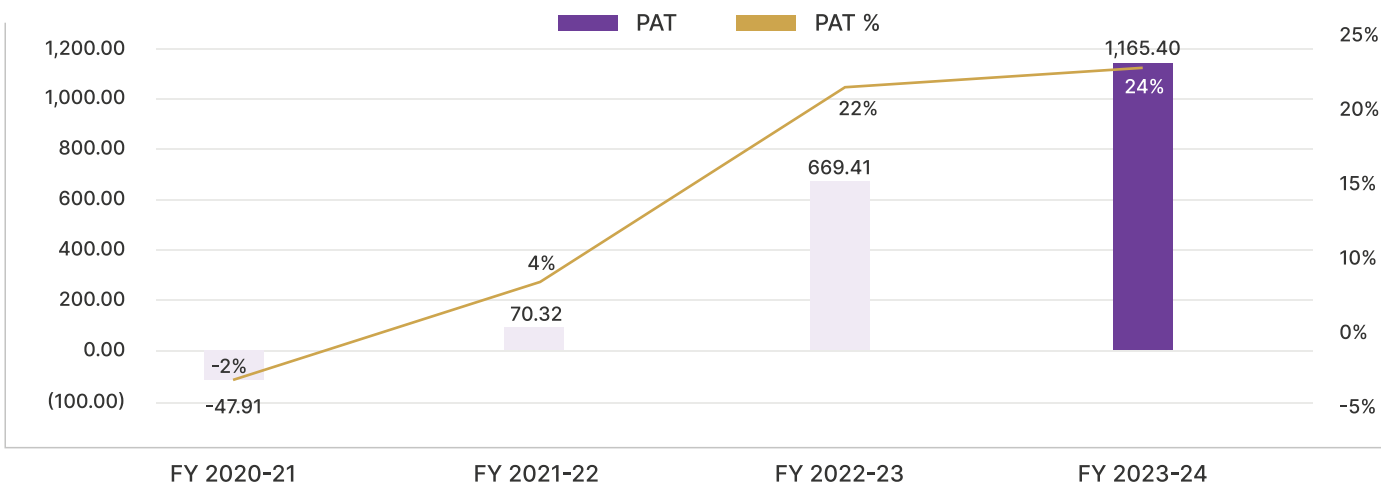
Particulars	FY 2020- 21	FY 2021-22	FY 2022-23	FY 2023-24
Profit before tax	-61.20	120.84	815.52	1,236.49



5. Profit after tax and % ▲ 74.1%

(₹ in Lakhs)

Particulars	FY 2020- 21	FY 2021-22	FY 2022-23	FY 2023-24
PAT	-47.91	70.32	669.41	1,165.40
PAT %	-2%	4%	22%	24%





Management Discussion and Analysis

MACRO-ECONOMIC INDUSTRY OVERVIEW

In the face of increased geo-economic fragmentation, financial sector vulnerabilities, and the climate crisis, enterprises are turning to digital technology to foster innovation and create a new operating model that emphasizes agility and customer-centricity. To adapt to a rapidly changing and unpredictable future, organizations have hastened their digital transformation efforts. Global IT service providers offer a wide range of services, including software development, digital transformation, IT business solutions and consulting, research and development, technology infrastructure, and business process services. They are equipped to help enterprises across diverse sectors tackle current challenges. These providers have the expertise to support organizations in various industries. The focus of IT projects is evolving from external deliverables like revenue generation and customer experience to more internal efforts centered on optimization.

The IT services sector is expected to gain momentum and shape decisions throughout the fiscal year 2024, driven by client investments in cost optimization, operational excellence, digital transformation, vendor consolidation, productivity improvements, customer experience projects, innovation in products and services, talent management, the future of the workplace and workforce, and environmental, social, and governance (ESG) initiatives. The software segment is projected to experience double-digit growth as organizations ramp up usage and shift spending towards key applications and platforms that drive efficiency, such as enterprise resource planning (ERP) and customer relationship management (CRM) systems. Additionally, vendor price increases are expected to further boost software spending throughout the year.

Worldwide IT spending is expected to total \$5.06 trillion in 2024, an increase of 8% from 2023, according to the latest forecast by Gartner, Inc. Spending in the Indian information technology (IT) sector is projected to reach \$138.9 billion in 2024, compared to \$122.6 billion last year, with a double-digit growth rate of 13.2 per cent, according to recent projections from Gartner. The growth is expected in all major segments, including software, devices, IT services, and data centre systems.

	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data Center Systems	236,179	4.0	259,680	10.0
Devices	664,028	-9.1	687,943	3.6
Software	914,689	12.6	1,042,174	13.9
IT Services	1,385,120	6.1	1,519,928	9.7
Communications Services	1,487,161	3.3	1,551,288	4.3
Overall IT	4,687,177	3.8	5,061,013	8.0

Source: Gartner (April 2024)

DRC SYSTEMS' BUSINESS & ITS OVERVIEW

DRC Systems India Limited is an IT services, consulting and business solutions company delivering the highest quality and effective solutions through IT for the global market by creating a professional environment for our talent, stakeholders, and clients.

Since its inception in 2012, the primary focus has been on driving change through innovation and creativity. With proficient teams of developers, project managers, and strategists, DRC is dedicated to assisting our customers in surmounting their business challenges by providing tailored software development solutions. DRC Systems serves a global customer base spanning multiple regions with its geographic print spanning from Europe, the United States, the Middle East, Asia-Pacific, Australia and India. The company offers its services across various industry verticals. The primary sectors catered to by DRC Systems include Financial Services, Retail and Consumer, Education, and the Public Sector.

DRC Systems' wide range of technology services enables it to build stronger relationships with its clients leading to organic growth and strategic transactions.

Through a combination of organic expansion and strategic transactions, the company has broadened its portfolio of services. This diversified range allows it to foster stronger client relationships and effectively cross-sell our offerings. The company has successfully designed and implemented its service framework tailored to the needs of both small and large corporations in India and abroad. DRC Systems' robust business model generates revenue with profitable earnings, affirming the strength and sustainability of its operations.

HUMAN RESOURCES

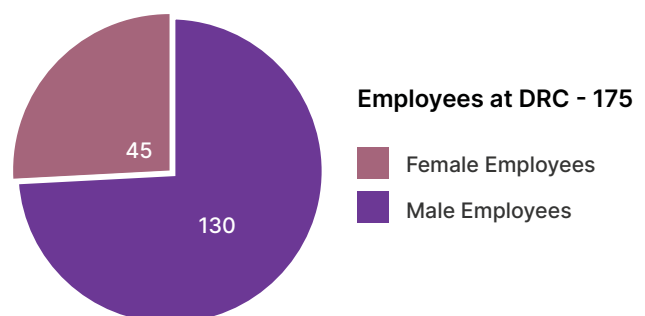
People are key to our customer's success and therefore DRC Systems' success. Our skilled and committed talent pool has adapted itself to the dynamic needs of our customers and technological changes. They have been pivotal in delivering best-in-class solutions and services to our clients thereby exceeding industry benchmarks. Our model is pivoted on the belief that what is good for our people and our customers, is good for DRC Systems. It has helped us operationalize our future of work strategy by introducing balance and flexibility at the workplace. Consequently, programs, policies and practices aimed at augmenting the well-being, engagement and up-skilling of our people have been put in place. These will lay the foundation of our program for future-readiness globally as we grow.

DRC Systems considers its responsibility for providing the workforce with a favorable, secure, and supportive work environment. Simultaneously, it has also implemented a well-defined Code of Conduct to ensure that ethical business practices are adhered to at all levels of the organization. To maintain alignment between organizational goals and employee performance, the company has established a fair and objective performance management system with its appraisal processes enabling it to identify and reward the top-performing employees with best-in-class compensation packages.

To further enhance the skills and overall development of our employees, we regularly conduct training programs. These initiatives not only sharpen existing abilities but also help us identify any skill gaps within our talent pool. In such cases, we take necessary steps to address these gaps in the most effective manner possible.

DRC Systems' actively recruits and on boards a broad range of professionals, including developers, architects, project leaders, and middle management. We also place emphasis on hiring talented students who have consistently demonstrated high levels of achievement from various campuses in India. At DRC Systems, we prioritize employee engagement and continuously invest in reskilling initiatives to meet the demands of accelerated digital adoption. Recognizing the value of a diverse and inclusive workforce, the company actively promotes gender diversity and strives for a balanced representation. As a result, 26% of the total workforce comprises women, contributing to enhanced innovation and guiding our business strategies. In these challenging times, it remains crucial to attract and retain exceptional software engineers with graduate or postgraduate degrees in engineering, equipped with relevant technical skills.

We place a strong emphasis on our employees, prioritizing their well-being, skill development, and the expansion of our talent pool. The culture and work environment are a source of pride for our company, as we strive to create a supportive and nurturing atmosphere. We are committed to continuously investing in its employees, ensuring they have the right opportunities to unlock their full potential. As of March 31, 2024, the team at DRC Systems consisted of 175 employees.



Talent strategy

While we are mindful of the ‘Talent War’ in the global IT sector, as an organization we have adopted multiple processes to attract, retain and enable talent at DRC SYSTEMS. Our focus has been to understand the multigenerational workforce and tailor made strategies to attract and retain talent in the organization. To ensure quality experience, we have upgraded our talent acquisition processes at DRC SYSTEMS. During the year under review, we introduced the talent acquisition process automation for offshore hiring. This new upgrade has multiple functionalities, which will make our candidate hiring process faster and more efficient. Another significant improvement in our people strategy is to enable a strong talent pool through internal fulfilment. It is our commitment that the future talent needs of the organization are fulfilled through leveraging internal talent pools. This not only reduces our overall recruitment costs, but provides an opportunity for employees to progress and develop their skills in other areas as well. We follow a bespoke method to fulfil employee needs or aspirations in line with our endeavour to ensure best-in-class services to our clients

Initiatives to enhance our Employee Value Proposition

Our Employee Value Proposition aims to inspire and enable our employees to find purpose and make an indelible impact through meaningful work and passionate teams; ensure that our employees continuously learn and grow in their careers and shape our collective future; and create opportunities for every employee to navigate further, powered by our culture and partnered by other employees with shared aspirations.

Employee experience

We strive to create a world-class employee experience by designing consistent and best-in-class policies, processes, programs, and systems, by focusing on creating ‘Experience by Design’. We collect employee feedback to improve our offerings and create positive experiences. We are committed to creating memorable moments that matter and using technology to drive the right behavior among managers and teams. A few initiatives in fiscal 2024:

- **Digitization:** We have strengthened our people practices by using technology and automation to improve workforce efficiency, engagement, transformation, and innovation

- **People analytics:** Analytics played a critical role in planning interventions during the last financial year. Advanced modelling tools, along with employee Pulse analytics and manager dashboards, helped us improve our talent strategy and retention. We also leveraged analytics effectively in the move to hybrid work.
- **Skill Enhancement Workshops:** To upskill our employee’s talent and make them aware about current market trends and industry standards.
- **Celebrations & Cultural Activities:** Birthday celebrations and Team Building Activities to reduce work stress and make them feel like home. This improves team bonding and overall productivity of our employees.

	Male	Female	Total
Age 20-30	76	30	106
Age 31-40	46	15	61
Age 41-50	8	0	8
Age 51-60	0	0	0
	130	45	175

PROSPECTIVE BUSINESS OPPORTUNITIES

- **Cloud Initiatives** will get further momentum during and it will serve the dual purpose of business agility and cost rationalization for organizations
- **Artificial Intelligence (AI)** Initiatives are likely to grow during to target new products, pricing optimization, channel efficiency, promotional effectiveness and new customer targeting in the recessionary environment. Most of the AI projects will be centered around monetization of data themes. However, the ticket or deal size of AI initiatives is expected to be small to moderate in size.
- **Automation Theme** will pick up the steam once again which is good news for the vendors operating in this space. The RPA or Hyper Automation projects will get further ammunition during 2024.
- **Customer Engagement** and Servicing driven initiatives using platform re/engineering and modern architecture or architecture are likely to be the only exception that will get fresh funding amid the uncertain environment.
- **Cybersecurity** will automatically get attention due to higher Cloud adoption.



RISK FACTORS – MITIGATION & OPPORTUNITIES

The company understands the importance of effectively managing and mitigating risks to protect the company’s business, its clients and to add value for all its stakeholders. The company aims to ensure its long-term sustainability and success by proactively managing and mitigating risks.

DRC is confident that its strong risk management initiatives, along with its dedication to innovation and excellence, will help the company navigate the challenges of the IT industry and seize the opportunities ahead. Below are some of the key risks and opportunities, the anticipated impact on the company, and the mitigation strategies.

Key Risk Elements	Impact on Company	Mitigation / Opportunity
Geo Political and Economy Related Risk – Uncertain Global, political and economic environment	<p>The company's services may be influenced by geopolitical dynamics and macroeconomic volatility. The Russia-Ukraine war and the Israel-Hamas conflict in the last 2 years has continued to cause disruptions in supply chains, an energy crisis, scarcity of food and merchandise, and subsequent inflation.</p> <p>High and persistent inflation in major economies has the potential to impact consumer spending and fuel social unrest. Central banks' increased interest rate environment aimed at curbing inflation could also result in economic slowdowns. Elevated economic uncertainty may prompt clients to readjust their IT initiatives and reduce their expenditures on non-essential projects.</p> <p>All of these could affect clients’ business outlook and result in reduced demand for DRC Systems’ services. It could also increase the costs of doing business.</p>	<p>Diminishing concentration risks associated with a single region, client, or industry by growing globally along with broad business mix, diversified technology and geographies.</p> <p>Continuous monitoring of country risks to ensure pro-active risk management.</p> <p>Concentrate on cost and optimization strategies, such as vendor consolidation initiatives, to enhance business efficiency in the near term, especially when customers' discretionary budgets are uncertain.</p> <p>Opportunity – Opportunity for new client projects which focus on cost optimization in cases where the discretionary spending has taken a hit and enter more long term contracts.</p> <p>Participate in the customer’s business transformation initiatives through breadth and depth of services and offerings.</p>
Resources risk- Recruitment, retention and management	<p>The success of the company hinges upon its capacity to attract, cultivate, inspire, and retain talent. Inability to attract key talent and its retention plays a major role in the current competitive environment in the IT industry and can impact the ability to deliver existing business engagements.</p> <p>The scarcity of talent can lead to the loss of company employees through poaching, resulting in increased attrition rates. This can disrupt ongoing projects, impede planned expansion efforts, and impact revenue growth.</p>	<p>Increased employee engagement and support through learning development and training programs to reduce attrition.</p> <p>Commitment to organic talent development, top-tier learning and development programs, career growth tied to cross-skilling and upskilling, and a preference for internal talent for new leadership positions all contribute to increased employee retention and motivation.</p> <p>Establishing a fair and objective performance management system with its appraisal processes enabling it to identify and reward the top-performing employees with best-in-class compensation packages.</p> <p>Opportunity – Opportunity to strengthen and further improve technological delivery and customer rapport through talent retention.</p>

Key Risk Elements	Impact on Company	Mitigation / Opportunity
Business and Technology Risk	<p>Rapidly evolving and changing technologies and expansion into new technology, geographical regions, other web services is subject to additional business, legal, financial and competitive risks.</p> <p>The industry is undergoing rapid evolution, and failure to develop new technology capabilities could have repercussions on accessing new business opportunities. Inability to quickly adapt could affect company's</p>	<p>Exploring strategic initiatives through organic and inorganic growth.</p> <p>Interest in technology-enabled business model has opened opportunities for the company to participate in clients' various technology requirements.</p> <p>Reskilling program for employees into newer technologies and methodologies.</p> <p>Opportunity – Opportunity to develop and explore new technologies and customer offerings</p>
Data privacy and information security risk	<p>Failure to guarantee customer data privacy and safeguarding systems or clouds against cyberattacks could expose us to the possibility of facing legal action.</p> <p>Such incidents could lead to business disruptions, impact to client service delivery, or unauthorized disclosure of sensitive information.</p> <p>Any security breach or a cyber-attack in the current high risk environment with geo political tensions could result in reputational damage, financial liabilities, legal risks and penalties.</p>	<p>Established security policies, standards and procedures as part of the information security management system.</p> <p>Regularly assess and adjust security controls, processes to identify and mitigate cybersecurity risks.</p> <p>A bidding by rigorous regulations concerning customer data management, which all employees must follow, accompanied by a written confidentiality agreement. Additionally, all employees and partners are required to participate in mandatory security and privacy awareness programs to ensure full compliance.</p> <p>Opportunity – Opportunity to offer cybersecurity services to the customer.</p>
Financial and Regulatory Risk	<p>The inherent risks associated with our regular business operations include taxation risks, foreign currency risk, and credit risks and regulatory risk.</p> <p>The company faces credit risk concerning the amounts owed to us by our customers. If our customers fail to pay us promptly or do not pay at all, we may need to make provisions for or write off such outstanding amounts.</p> <p>The rapid and complex changes in regulatory requirements necessitate quick identification and a thorough understanding of these rules, along with the agility to integrate them into business operations. Non-compliance could lead to penalties, reputational damage, and potential criminal prosecution Volatility in foreign currencies or any adverse movement in foreign currency exchange rates could affect profitability. On the other hand, depreciation might create an illusion of higher revenues and earnings, which could mislead stakeholders regarding the true momentum and profitability of the underlying business.</p>	<p>DRC Systems' robust policies and comprehensive compliance tool ensure effective governance and adherence to local laws, backed by timely reminders and alerts. In certain cases, we also seek guidance and consultation from professional experts to ensure accurate interpretation of local regulations.</p> <p>Effective internal controls to comply with regulations, keep a check on unlawful and fraudulent activities and internal audits to provide compliance assurance.</p> <p>Tracking and monitoring all applicable regulations, obligations and corresponding actions to ensure compliance.</p>





STRENGTHS

Strong Expertise in Technology: DRC Systems India Limited has a robust portfolio in software development, web design, and digital marketing, showcasing its technical expertise.

Diverse Client Base: The company serves a wide range of industries, reducing dependency on any single sector.

Innovative Solutions: Known for providing innovative and customized solutions that meet the specific needs of clients.

Experienced Team: A skilled workforce with a strong background in various technologies and methodologies.

Quality Certifications: Possession of quality certifications and compliance with international standards enhances its credibility and trustworthiness.



OPPORTUNITIES

Growing Demand for Digital Transformation: Increasing demand for digital transformation services presents a significant growth opportunity.

Expanding into New Markets: Exploring new geographical markets, particularly in emerging economies, could provide growth avenues.

Partnerships and Collaborations: Forming strategic partnerships and collaborations could enhance service offerings and expand market reach.

Technological Advancements: Leveraging emerging technologies such as AI, blockchain, and IoT to offer new services and solutions.



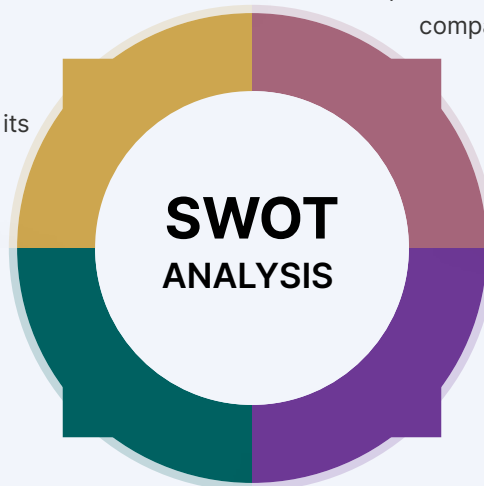
WEAKNESSES

Limited Market Presence: Compared to larger competitors, DRC Systems India Limited may have a limited market presence and brand recognition.

Dependency on Key Clients: Potential dependency on a few key clients could impact revenue stability if any of these clients reduce or terminate their contracts.

Resource Constraints: As a mid-sized company, there may be limitations in terms of financial and human resources, affecting scalability.

Geographical Limitations: Limited physical presence in key global markets could restrict the company's ability to capitalize on international opportunities.



THREATS

Intense Competition: The IT services industry is highly competitive, with numerous players, both large and small, vying for market share.

Rapid Technological Changes: The fast pace of technological advancements requires continuous upskilling and adaptation, posing a challenge to stay current.

Economic Uncertainties: Economic downturns or changes in client budgets can negatively impact business.

Regulatory and Compliance Issues: Navigating complex regulatory environments and ensuring compliance with various laws and standards can be challenging.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

DRC Systems' has adequate system of internal controls in place with documented policies and procedures covering all financial and operational functions. These controls have been designed to provide a reasonable assurance to maintaining proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. The company continues to align all our processes and controls with global best practices.

Some significant features of the internal control of systems are:

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems, their compliance with operating systems, accounting procedures and policies of DRC Systems Limited. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas, and thereby strengthen the controls. Significant Audit observations and corrective actions thereon are presented before the Board.

As per the listing requirements, documentation of major business processes and testing thereof are conducted, which includes financial closing, computer controls and entity-level controls, as part of our compliance programs. The company is very strict with its security policy and updates its IT systems on a periodic basis.

Detailed business plans, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions.

An independent, well-established and multidisciplinary internal audit team operates in line with the best practices of governance. It reviews and reports to the management and the Audit Committee on compliance with internal controls and the efficiency and effectiveness of operations as well as the key risks.

The company has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The existing Internal Control Systems and their adequacy are frequently reviewed and improved upon to meet the changing business environment. The Statutory Auditors as well as the Internal Auditors periodically review the Internal Control Systems, Policies and Procedures for their adequacy, effectiveness and continuous operation in addressing risk management and mitigation strategies

Consolidated Financial Performance

Analysis of Revenue

1. Revenue from Operations

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Operating Revenue	4,768.30	2,562.52	86.1%

- Revenue increased from INR 2562.5 lakhs in FY 2022-23 to INR 4768.30 lakhs in FY 2023-24.
- The growth was aided by strong demand in both local and international markets like UAE, Europe, US and Australia.
- The company foresees strength in demand & prospects for digital skills across verticals continuing in the future.
- In accordance with Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Group operates in one business segment i.e. IT and IT enabled Services including web and mobile app.

2. Other Income

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Other Income	10.97	422.75	-97.4%

- Other Income decreased from INR 422.75 lakhs in FY 2022-23 to INR 10.97 lakhs in FY 2023-24 mainly on account of a fair value gain on an investment which was recognised in FY 2022-23.

Analysis of Expenses

3. Contracting Expenses

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Contracting Expenses	1,179.65	480.31	145.6%
% of Revenue	24.7%	18.7%	

- Given the challenging lead time to mobilize resources quickly and scarcity of talent in the current situation the company decides to resort to certain subcontracting expenses where the Company feels that there are opportunities where it wants to initiate new engagements wherever possible considering growth as the key factor.
- During the year, the contracting expenses have increased from INR 480.31 lakhs in FY 2022-23 to INR 1179.65 lakhs in FY 2023-24.
- The Company constantly aims to hire freshers and add new resources along with the development of inhouse resources in order to improve the margins.

4. Employee Benefit Expenses

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Employee Benefit Expenses	1,829.81	1,203.65	52.0%
% of Revenue	38.4%	47.0%	

- Employee benefit costs primarily consist of cost of salary including new recruitments and/or increments and other terminal benefits like, gratuity, provident fund contribution etc. along with cost of compensation of stock options issued to various eligible employees.
- This component forms a major part of our expenses.

5. Finance Costs

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Finance Costs	6.00	62.07	-90.3%
% of Revenue	0.1%	2.4%	

- Finance Costs have decreased from INR 62.07 lakhs in FY 2022-23 to INR 6.00 lakhs in FY 2023-24 on account of repayment of borrowings in FY 2022-23.
- The company continues to closely monitor its liquidity position and deploys a robust cash management system.

6. Depreciation and Amortization Expenses

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Depreciation and Amortization Expenses	254.76	120.12	112.1%
% of Revenue	5.3%	4.7%	

- Depreciation and Amortization expenses have increased from INR 120.12 lakhs in FY 2022-23 to INR 254.76 lakhs in FY 2023-24 on account of addition of fixed and intangible assets.

7. Other Expenses

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Other Expenses	277.26	292.90	-5.3%
% of Revenue	5.8%	11.4%	

- Other Expenses have decreased from INR 292.90 lakhs in FY 2022-23 to INR 277.26 lakhs in FY 2023-24.

8. Income Tax

(₹ in Lakhs)

	FY 2023-24	FY 2022-23	Change
Income Tax	71.09	146.11	-51.3%
Profit Before Tax	1,236.49	815.52	51.6%
Tax as % of Profit before tax	5.7%	17.9%	

- Income tax as a % of Profit Before Tax has decreased mainly on account of increase in Profit before tax from INR 815.52 lakhs in FY 2022-23 to INR 1,236.49 lakhs in FY 2023-24 and due to certain non-deductible expenses and tax exempt income of foreign subsidiaries.

9. Ratios

(₹ in Lakhs)

Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23
Trade receivables turnover ratio	Income from Operations	Average Trade Receivables	3.75	4.38
Trade payables turnover ratio	Contracting Expenses	Average Trade Payables	21.30	9.86
Current Ratio	Current Assets	Current Liabilities	1.03	4.16
Debt Equity Ratio	Borrowings	Total Equity	-	-
Debt Service Coverage Ratio	EBITDA	Interest + Principal	-	-
Return on equity ratio	EBIT	Total Assets less Total Liabilities	25.98%	25.60%
Net Profit Margin	Net Profit	Total Income	24.38%	22.42%
EBITDA Margin	EBITDA	Operating Revenue	31.3%	39.4%
Operating Profit Margin	EBIT	Operating Revenue	26.0%	34.7%
Earnings Per Share	PAT	Weighted Average Number of Equity Shares	0.88	0.55
ROCE	EBIT	Total Assets less Current Liabilities	25.00%	24.46%

Refer note 36 for additional details on analytical ratios of the consolidated financial statements.

NOTICE OF THE 12TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 12th ANNUAL GENERAL MEETING of the Members of DRC SYSTEMS INDIA LIMITED will be held on Tuesday, September 17, 2024 at 11.00 a.m. IST through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt:

- a) The audited standalone financial statements of the Company for the Financial Year ended March 31, 2024, together with the reports of the Board of Directors and Auditors thereon and;
- b) The audited consolidated financial statements of the Company for the Financial Year ended March 31, 2024 together with the report of Auditors thereon.

Item No. 2 – Appointment of Mr. Sanket Khemuka (DIN: 06910440) as a Director, liable to retire by rotation

To appoint a Director in place of Mr. Sanket Khemuka (DIN: 06910440), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 3 - Ratification of Material Related Party Transaction(s) of the Company

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and other applicable provisions, if any, of the Listing Regulations, Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014, as applicable and any amendments thereto, and also pursuant to the omnibus approval of the Audit Committee in its Meeting, the material related party transactions as entered into by the Company with related parties in the ordinary course of business and on arm's length basis during the Financial Year 2023-24 with AppiZap LLC FZ ("AppiZap"), an Associate of Wholly Owned Subsidiary of the Company and Infibeam Avenues Limited, held more than 10% stake in the Company during FY 2022-23, as detailed in the explanatory statement annexed to this notice, the value of which either singly or all taken together, in both the cases, exceeds the prescribed thresholds as per the provisions of the Listing Regulations as applicable from time to time be and are hereby ratified and approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Committee of Directors and/or Director(s) and/or official(s) of the Company/ or any other Officer(s)/Authorised Representative(s) or any other person(s) of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorised by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."



Item No. 4 - Approval of Material Related Party Transactions with AppiZap LLC FZ

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and other applicable provisions, if any of the Listing Regulations, Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014, as applicable and any amendments thereto, other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions or modification(s) of earlier/ arrangements/transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with AppiZap LLC FZ ("AppiZap"), an Associate of Wholly Owned Subsidiary of the Company, a related party of the Company, for a period starting from April 01, 2024 till the date of next Annual General Meeting and up to a maximum aggregate value of Rs. 3,000 Lakhs (Rupees Three Thousand Lakhs only) plus applicable taxes, in the ordinary course of business of the Company and at arm's length basis on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and AppiZap.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to enter into the above-mentioned contract/transaction/arrangement and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/or State Government(s) and/or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers or authorities herein conferred by this resolution to any Committee of Directors and/or Director(s) and/or official(s) of the Company/ or any other Officer(s)/Authorised Representative(s) or any other person(s) so authorised by it, or to engage any advisor, consultant, agent or intermediary as deemed necessary by the Board in accordance with applicable laws and to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorised by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

Registered Office:
24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5,
GIFT CITY, Gandhinagar – 382 355,
Gujarat, India

By the Order of the Board,
For, DRC Systems India Limited

Jainam Shah
Company Secretary

Date: August 08, 2024

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special businesses set out as an item of the accompanying notice is annexed herewith.
 2. A statement providing additional details of the Director seeking re-appointment as set out at Item No. 2 of the Notice is annexed herewith as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').
 3. In compliance with the circulars issued by the Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and other relevant circulars ("MCA Circulars") and the Securities and Exchange Board of India ("SEBI") has also issued circular in continuation to previous Circulars dated May 12, 2020, Circular dated January 15, 2021, Circular dated May 13, 2022 further extended the relaxation vide Circular dated January 05, 2023 and dated October 07, 2023 which does not require physical presence of the Members at common venue. In view of this, the 12th Annual General Meeting (AGM) is being conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM"). The registered office of the Company shall be deemed to be the venue for the AGM.
 4. Pursuant to the provisions of the Companies Act, 2013 ("Act"), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
 5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or Governing Body Resolution/Authorization Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company by e-mail at ir@drcsystems.com.
 6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 7. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
 8. In line with the aforesaid Circulars, the Notice of AGM along with Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2023-24 has been uploaded on the website of the Company at www.drcsystems.com. The Notice and Annual Report 2023-24 can also be accessed from the websites of the Stock Exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the e-voting website of Link Intime India Private Limited ("Link Intime") (agency for providing the Remote e-Voting facility) i.e. <https://instavote.linkintime.co.in>.
- The Company has also published an advertisement in the newspapers containing the details about the AGM i.e. the conduct of the AGM through VC/OAVM, date and time of the AGM, availability of notice of the AGM along with Annual Report 2023-24 at the Company's website and manner of registering the email IDs, Mobile No. and bank mandate of those Members who have not registered the said details with the Company/ Company's Registrar and Share Transfer Agent, i.e. Link Intime India Private Limited.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 10, 2024 to Tuesday, September 17, 2024 (both days inclusive) for the purpose of AGM.
 10. Shareholders seeking any information with regard to financial statements or any matter to be placed at the AGM are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.

11. To prevent fraudulent transactions, Members holding shares in physical form are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members holding shares in demat form are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
12. To support the "Green Initiative", Members holding shares in physical form are requested to notify/send their email id and bank account details to the Registrar & Share Transfer Agent (RTA) of the Company i.e. Link Intime India Private Limited. In addition, members holding shares in the demat form are requested to contact their respective Depository Participant and register their email id and bank account for receiving all communication including Annual Report 2023-24, Notices, Circulars, etc. from the Company electronically.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.
14. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred, transmitted and transposed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the RTA of the Company i.e. Link Intime India Private Limited for assistance in this regard.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. To avoid any inconvenience, you are requested to kindly convert your shares in demat form. In case of any clarification, shareholders are requested contact to the RTA at ahmedabad@linkintime.co.in.
15. Pursuant to Section 72 of the Act, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the RTA of the Company i.e. Link Intime India Private Limited. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant. The Nomination Form is available on the Company's website i.e. www.drcsystems.com.
16. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
17. SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to inter alia furnish PAN, KYC and Nomination details. Physical folios wherein the PAN, KYC and Nomination details are not available shall be frozen by the RTA on or after due date. Holders of such frozen folios shall be eligible to lodge their grievance or avail service request from the RTA only after furnishing the complete documents/details. Similarly, the holders of such frozen folios shall be intimated in case of any payment including dividend, interest or redemption stating that such payment is due and shall be made electronically upon furnishing complete documents/details.

Pursuant to the said Circular, the Company has sent letters to all Member(s) holding Shares of the Company in physical form for furnishing their PAN, KYC details (i.e., Postal Address with pin code, email address, mobile number, bank account details) and Nomination details through Form ISR-1.

The investor service requests forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and SH-14 are available on the website of the Company at www.drccsystems.com. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest.

18. SEBI introduced Online Dispute Resolution Mechanism (“ODR Mechanism”) through various circulars including its updated Master Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023 i.e. “Master Circular for Online Dispute Resolution”. The said Master Circular and the process note are available on the website of the Company at www.drccsystems.com. As per the said circulars, investors shall first take up their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the investor may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal at www.scores.gov.in, in accordance with the process laid out therein. After exhausting all available options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>. Alternatively, the investor/client can initiate dispute resolution through the ODR Portal if the grievance lodged with the Company was not satisfactorily resolved in accordance with and subject to the relevant SEBI circulars. It must be noted that the dispute resolution through the ODR portal can be initiated only if such complaint / dispute is not pending before any arbitral process, court, tribunal or consumer forum or if the same is non-arbitrable under Indian Law. There shall be no fees for registration of a complaint/ dispute on the ODR portal, and the fees for conciliation or arbitration process including applicable GST, stamp duty etc. shall be borne by the Investor /Company/ other market participant as the case may be.
19. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act, the certificate from Secretarial Auditors of the Company certifying that the Employee Stock Option Scheme of the Company has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all other documents referred to in the Notice will be available for inspection in electronic mode during the AGM.
20. The Members can join the AGM through the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
21. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 12th AGM and instructions for e-voting are being sent through electronic mode to those Members whose email addresses are registered with the Company / depository participant(s).
22. Members desiring to claim unclaimed shares and net proceeds of Fractional Shares are requested to correspond with RTA as mentioned above or to the Company at its Registered Office. Members are requested to note that, shares and net proceeds of Fractional Shares if not claimed for a consecutive period of 7 years from the date of its allotment, are liable to be transferred to the demat account of the IEPF Authority and Investor Education and Protection Fund (“IEPF”), respectively as per Section 124 of the Act read with applicable IEPF rules. In view of this, Members/ Claimants are requested to claim their Unclaimed shares and net proceeds of fractional shares from the Company, within the stipulated timeline.



Members may please note that in the event of transfer of such shares and the unclaimed net proceeds of Fractional Shares to IEPF, members are entitled to claim the same from IEPF authorities by submitting online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending original documents enumerated in Form IEPF-5 duly signed to the Company along with Form IEPF- 5 for verification of claim.

23. Process for those members whose email ids are not registered - for registration of Email addresses to obtain AGM Notice/Annual Report of the Company:

- a) For Members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to ir@drcsystems.com.
- b) Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant.

24. General Information:

- i. Shareholders/Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- ii. Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- iii. Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- iv. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
- v. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker in advance at least 7 days before the AGM by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio Number, PAN, mobile number at ir@drcsystems.com. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

25. VOTING THROUGH ELECTRONIC MEANS:

- A. In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, and any other applicable provisions as amended, the Company is pleased to offer the facility of voting through electronic means and the businesses set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Link Intime India Private Limited.
- B. The Members, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.
- C. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participant in the AGM through VC but shall not be entitled to cast their vote again.
- D. The remote e-voting period, commences at 09:00 a.m. on Friday, September 13, 2024 and ends at 05:00 p.m. on Monday, September 16, 2024. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, September 10, 2024, may cast their vote by remote e-voting. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences at 09:00 a.m. on Friday, September 13, 2024 and ends at 05:00 p.m. on Monday, September 16, 2024 or e-Voting during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- E. The voting rights of shareholders shall be in proportion to their shares in the Paid Up Equity Share Capital of the Company as on the cut-off date, being Tuesday, September 10, 2024.

26. Instructions for remote e-voting and e-voting at the AGM:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 09, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none">• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.• If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none">• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/Home/Login.• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.• If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E -Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & e-voting service provider is LINKINTIME	<ul style="list-style-type: none"> • Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> ▶ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> A. User ID: Shareholders/ members holding shares in physical form shall provide Event No. + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click “confirm” (Your password is now generated). 2. Click on ‘Login’ under ‘SHARE HOLDER’ tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’. 4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). 7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

Institutional shareholders

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@! #\$\$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/depository participant's website.
- ▶ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ▶ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ▶ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none">• Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none">• Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

27. Process and manner for attending the Annual General Meeting through InstaMeet:

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>.

Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

- a) Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:

DP ID / Client ID or Beneficiary ID or Folio No.	Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company.
PAN	Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
Mobile No.	Enter your mobile number.
Email ID	Enter your email id, as recorded with your DP/Company.

- b) Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

28. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
 - b) Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
 - c) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
 - d) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
 - e) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
 - f) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
29. In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

30. Other Instructions

- i. M/s. SPANJ & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting system on the date of the AGM in a fair and transparent manner.
- ii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and make, within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or Company Secretary or a person authorized by the Chairman in writing, who shall countersign the same.
- iii. Based on the report received from the Scrutinizer, the Company will submit within Two working days of the conclusion of the Meeting to the stock exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited, details of the voting results as required under Regulation 44(3) of the Listing Regulations and that shall also be placed on the Company's website www.drcsystems.com and on the website of Link Intime <http://instavote.linkintime.co.in>.
- iv. Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM i.e. Tuesday, September 17, 2024.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

As per the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations), all Material Related Party Transactions ('RPT') shall require approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower. Regulation 2(1)(zc) of the Listing Regulations defines related party transaction to mean a transaction involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity, regardless of whether a price is charged or not.

Whilst our Company was of the opinion that Appizap LLC – FZ and Infibeam Avenues Limited were not related party and did not fall within the purview of Regulation 23 of the SEBI LODR Regulations, 2015, however, as a matter of abundant caution and given ambiguity in the definition of the "related party transaction" under the SEBI LODR Regulations, 2015, our Company is placing the aforesaid transaction before the members for ratification.

The Material Related Party Transactions require approval of the Shareholders by passing a Resolution and in respect of voting on such resolution(s), the said related party shall abstain from voting.

Members may please note that based on the criteria as mentioned above in Regulation 23 of the Listing Regulations, transactions entered into by the Company with Related Parties for the Financial Year 2023-24 is "Material" and the value of which either singly or all taken together exceeds ten percent of the annual consolidated turnover of the Company as per audited financial statements of FY 2022-23 and therefore requires ratification of the said transactions by the Members of the Company by Ordinary Resolution.

The Audit Committee has also given their prior omnibus approval to the transactions entered into as mentioned above during the Financial Year 2023-24. The Audit Committee has also noted that the said transaction(s) at an arm's length pricing basis and in the ordinary course of business.

The relevant information pertaining to transactions with the Related Parties as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI Master Circular No. SEBI/HO/CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023, is given as follows:

Sr. No	Description	Details	
1	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	AppiZap LLC FZ ("AppiZap") AppiZap is an Associate of Wholly Owned Subsidiary of the Company.	Infibeam Avenues Limited ("Infibeam") Infibeam held more than 10% stake in the Company during FY 2022-23

Sr. No	Description	Details	
2	Type, material terms, tenure, monetary value and particulars of the proposed RPTs	<p>Service given</p> <p>Material terms and conditions are based on the contracts which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).</p> <p>Approval of the shareholders is being sought for ratification of transaction of service given during the FY 2023-24.</p>	<p>Service taken</p> <p>Material terms and conditions are based on the contracts which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).</p> <p>Approval of the shareholders is being sought for ratification of transaction of service taken during the FY 2023-24.</p>
3	Value of the transaction	Rs. 1,658.40 Lakhs	Rs. 1,497.55 Lakhs
4	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	Approximately 64.72% of annual consolidated turnover of the Company for FY 2022-23.	Approximately 58.44% of annual consolidated turnover of the Company for FY 2022-23.
5	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:		
	a. Details of the source of funds in connection with the proposed transaction	Not Applicable	Not Applicable
	b. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> • Nature of indebtedness • Cost of funds and • Tenure 	Not Applicable	Not Applicable
	c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable	Not Applicable
	d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable	Not Applicable



Sr. No	Description	Details	
6	Justification as to why the RPT is in the interest of the listed entity	DRC Systems India Limited uses its technical domain expertise and competencies available in the development of AppiZap's Low-Code No-Code (LCNC) Platform framework which enables users to build and deploy custom applications with minimal coding effort. By reducing the complexity of traditional software development, it allows organizations to accelerate their digital transformation and improve productivity. The domain expertise and competencies available within the group will help in delivering world class technology services to our prestigious clients which eventually help the company in augmenting revenue generation, scalability and licensing.	DRC Systems India Limited procures IT and IT infrastructure services and resources from Infibeam Avenues Limited as a part of its ongoing multiple project engagements. This helps the company primarily in terms of saving on fixed costs and other terminal benefits as also other investment in acquiring IT infrastructure apart from having flexibility in scaling of business operations. This serves as a sustainable procurement model to leverage buying efficiencies utilizing economies of scale at a lesser additional cost to DRC Systems India Limited.
7	Any valuation or other external report relied upon by the listed entity in relation to the transactions	Not Applicable	Not Applicable
8	Any other information that may be relevant	All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.	

Members are hereby informed that pursuant to Regulation 23 of the Listing Regulations, no Members of the Company shall vote on the Resolution to ratify related party transactions entered into by the Company during the Financial Year 2023-24 as mentioned above if such Member is a related party.

None of the Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, if any, in the Resolution mentioned at Item No. 3 of the Notice.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth in Item No. 3 of the Notice convening this AGM, for approval by the Members.

Item No. 4

As per the Regulation 23 of the SEBI Listing Regulations, inter alia, states that effective from April 1, 2022, all Material Related Party Transactions ('RPT') shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of Related Party Transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

The Company proposes to enter into certain related party transaction(s) as mentioned below, on mutually agreed terms and conditions, and the aggregate of such transaction(s), are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs, subject to approval by the Board and Members at the AGM. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

The relevant information pertaining to transactions with the Related Parties as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI Master Circular No. SEBI/HO/CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023, is given as follows:

Sr. No	Description	Details
1.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	AppiZap LLC FZ ("AppiZap") AppiZap is an Associate of Wholly Owned Subsidiary of the Company.
2.	Type, material terms, tenure, monetary value and particulars of the proposed RPTs	Service given Material terms and conditions are based on the contracts which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s). Approval of the shareholders is being sought for transaction(s) of service given / to be given from April 01, 2024 till the date of next Annual General Meeting.
3.	Value of the transaction	Up to Rs. 3,000 Lakhs plus applicable taxes
4.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	Approximately 62.92% of annual consolidated turnover of the Company for FY 2023-24.
5.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:	
	a. Details of the source of funds in connection with the proposed transaction	Not Applicable
	b. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:.	Not Applicable
	<ul style="list-style-type: none"> • Nature of indebtedness • Cost of funds and • Tenure 	
	c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable

Sr. No	Description	Details
	d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
6.	Justification as to why the RPT is in the interest of the listed entity	DRC Systems India Limited uses its technical domain expertise and competencies available in the development of AppiZap's Low-Code No-Code (LCNC) Platform framework which enables users to build and deploy custom applications with minimal coding effort. By reducing the complexity of traditional software development, it allows organizations to accelerate their digital transformation and improve productivity. The domain expertise and competencies available within the group will help in delivering world class technology services to our prestigious clients which eventually help the company in augmenting revenue generation, scalability and licensing.
7.	Any valuation or other external report relied upon by the listed entity in relation to the transactions	Not Applicable
8.	Any other information that may be relevant	All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

The proposed related party transactions between the Company and AppiZap are purely for the purpose of furthering the main business activities ensuring that it would be in the best interest of the Company and towards achieving synergies and economies of scale and strengthen sustainability.

As per the Listing Regulations, all related parties of the Company, whether or not a party to the proposed transaction(s), shall abstain from voting on the said resolution.

None of the Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, if any, in the Resolution mentioned at Item No. 4 of the Notice.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice convening this AGM, for approval by the Members.

Registered Office:

24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5,
GIFT CITY, Gandhinagar - 382 355,
Gujarat, India

By the Order of the Board,
For, DRC Systems India Limited

Jainam Shah
Company Secretary

Date: August 08, 2024

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

[Pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]

Particulars	Profile of the Director
Name of the Director(s)	Mr. Sanket Khemuka
DIN	06910440
Date of Birth	March 07, 1974
Age	50
Date of appointment on the Board	December 05, 2020
Qualifications	Bachelor of Engineering (Electronics) and Master of Business Administration (Marketing)
Experience & Expertise in specific functional areas	Mr. Sanket Khemuka has more than 20 years of progressive experience in developing strategic initiatives that support product management, branding, business development, and sales in the technology industry. He has a proven track record of deploying and managing complex network infrastructures, combined with extensive experience in big data analytics, SaaS, and unified communications, data centre, and cloud computing protocols. He also routinely conducts in-depth market research to gather valuable insights, identify opportunities, and improve product positioning.
Terms and conditions of Appointment/reappointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013
Remuneration proposed to be paid	Sitting fees as may be approved by the Board of Directors in accordance with applicable provisions of law.
Remuneration last drawn (including sitting fees, if any)	Please refer to the Corporate Governance Report (Annexure - C) as part of Board's Report
Number of Meeting of the Board attended during the Financial Year 2023-24	01 (One)
Names of other Companies in which the Director holds Directorship as on as on 31.03.2024	1. Mugenesys Software Private Limited 2. Mugenesys Properties Private Limited 3. Playckc Interactive Private Limited
Names of other listed Companies from which the Director as resigned in past three years.	Nil
Names of Committees of other listed Companies in which the Director holds Chairmanship/ Membership as on 31.03.2024	Nil
Shareholding in the Company as on 31.03.2024	Nil

Particulars	Profile of the Director
<p>In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</p>	<p>N.A.</p>
<p>Relationships between Directors, Key Managerial Personnel and Managers of the Company</p>	<p>N.A.</p>

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 12th Annual Report of DRC Systems India Limited ("the Company" or "DRC"), along with the Audited Financial Statements for the Financial Year ended March 31, 2024.

1. FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2024 is summarized in the table below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2023-24	Financial Year 2022-23
Revenue from Operations	3,587.96	2,181.78	4,768.30	2,562.52
Other Income	10.03	422.75	10.97	422.75
Total Income	3,597.99	2,604.53	4,779.27	2,985.27
Total Expenditure other than Finance Cost, Depreciation and Tax	3,043.29	1,857.84	3,286.73	1,976.86
Operating Profit / (Loss) before Finance Cost, Depreciation and Tax	554.70	746.69	1,492.54	1,008.41
Less: Finance Cost	6.00	62.07	6.00	62.07
Less: Depreciation and amortization expenses	243.36	118.49	254.76	120.12
Profit / (Loss) before Tax and Exceptional item	305.34	566.12	1,231.78	826.22
Add: Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	305.34	566.12	1,231.78	826.22
Less: Tax	71.09	146.11	71.09	146.11
Profit before share in profit/(Loss) in Associate	234.25	420.01	1,160.69	680.11
Share of profit / (Loss) of Associate	-	-	4.71	(10.70)
Profit / (Loss) for the period	234.25	420.01	1,165.40	669.41
Other comprehensive income/(Expenses) [net of tax]	-	-	-	-
Items that will not be reclassified to Profit or (Loss), net of tax	(1.24)	(6.70)	(1.24)	(6.70)
Total comprehensive income/(Expenses) for the period	233.01	413.32	1,164.17	662.71
Add: Balance brought forward from previous year	456.88	43.56	706.27	43.56
Profit available for appropriation	689.89	456.88	1,870.44	706.27
Transfer to General Reserve	-	-	-	-
Excess Losses pertaining to minority	-	-	-	-
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-	-	-
Balance carried over to Balance Sheet	689.89	456.88	1,870.44	706.27

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE AS ON MARCH 31, 2024

Your company is an IT services and Consultancy Company in India focused on providing viable and lasting solutions to businesses. We are focused on innovation and creativity to lead the change, since its advent in 2012. With competent teams of developers, project managers, and strategists, we help our customers overcome their business challenges with customized software development. Our services and solutions help businesses scale the market. Over the years, we have diversified our service offerings through a mix of organic growth and strategic transactions. We believe the wide range of services that we offer enables us to build stronger relationships with our clients and cross sell our services. Our customer base is spread across geographies and majorly to Europe, USA, Middle East and Asia.

Company's operational revenue on a standalone basis increased by 64% to INR 3587.96 Lakhs, against Rs. 2181.78 Lakhs in the previous year. Revenue from operations on a consolidated basis also grew significantly by 86% from INR 2562.52 Lakhs to INR 4768.30 Lakhs. Company's overall annual financial performance have shown tremendous growth due to our efforts to expand in the Middle East, Europe, and US market as well as robust export market demand. EBITDA margins on a consolidated level came at 31% while on a standalone basis were 15%. The standalone Profit after Tax was at Rs. 234.25 Lakhs for the current year as compared to Rs. 420.01 Lakhs. The consolidated Profit after Tax has increased for the year by 74% to Rs. 1165.40 Lakhs as against Rs. 669.41 Lakhs in the previous year. The Company's discipline in allocating resources to key strategic growth areas while optimizing costs and improving efficiency resulted into a strong growth in Profit before Tax and Profit after Tax.

3. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year 2023-24 are prepared in compliance with applicable provisions of the Companies Act, 2013 ("Act") read with the Rules made thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The Consolidated Financial Statements have been prepared on the basis of audited financial statements of your Company, its subsidiary and Associate company, as approved by their respective Board of Directors.

The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

4. TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to general reserve.

5. DIVIDEND

In order to conserve resources for business expansion, your Directors do not recommend any dividend for the Financial Year 2023-24.

6. CHANGE IN THE NATURE OF BUSINESS

Basic nature of business of the Company remains same and there is no change in business.

7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of your Company between the end of the Financial Year and date of this report.

8. SUBSIDIARIES & ASSOCIATE COMPANIES

During the year under review, the following changes have taken place in subsidiary / associates:

- Your Company has acquired 100% stake of DRC Systems USA LLC. Post acquisition, DRC Systems USA LLC became a Wholly Owned Subsidiary of the Company.
- Your Company has made an investment in Nighthack Technology Private Limited ("Nighthack"). Post investment, Nighthack became an Associate of the Company.

Pursuant to Section 129 (3) of the Act read with rules framed thereunder, pursuant to Regulation 33 of the Listing Regulations and Ind - AS 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries and associates.

A separate statement containing the salient features of the financial performance of the subsidiaries and associates for the Financial Year 2023-24 in the prescribed form AOC - 1 is annexed to the Board's Report as **Annexure - A** and forms a part of this report. The Audited Consolidated financial statements together with Auditors' Report, forms an integral part of the Annual Report.

The Policy for determining material subsidiaries is available on the Company's website i.e. <https://www.drccsystems.com/policies>. In terms of provisions of Section 136 of Act, separate audited accounts of the subsidiary Companies shall be available on website of the Company at www.drccsystems.com.

9. CHANGE IN SHARE CAPITAL

a. Increase in Authorized Share Capital of the Company

In order to facilitate the future requirements, if any, of the Company, pursuant to approval of the Shareholders at the Extra Ordinary General Meeting held on February 15, 2024, increased the Authorized Share Capital of the Company from the existing Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Re. 1/- (Rupee One Only) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Re. 1/- (Rupee One Only) each.

b. Allotment of Equity Shares

During the Financial Year 2023-24, the total Issued and Paid-Up Equity Share Capital of the Company has been increased from Rs. 439.02 Lakhs to Rs. 1,324.65 Lakhs pursuant to the allotment of 8,85,63,870 Equity Shares.

During the Financial Year 2023-24, after obtaining necessary approvals, the Company has issued and allotted,

- i. 2,53,250 Equity Shares of Re. 1/- each on December 01, 2023, to its eligible employees of the Company under DRC Employee Stock Option Plan 2021-22. After the issue, the Equity Share Capital of the Company stood at Rs. 441.55 Lakhs.
- ii. 8,83,10,620 Equity Shares of Re. 1/- each on February 29, 2024, to eligible shareholders of the Company as on the Record date i.e. February 27, 2024 in the ratio of 2:1 (2 new Bonus Equity Shares for 1 Equity Share held) on a Bonus Issue basis pursuant to the approval of the Shareholders in Extra Ordinary General Meeting held on February 15, 2024. After the bonus issue, the Equity Share Capital of the Company stood at Rs. 1,324.65 Lakhs.

Consequently, the issued, subscribed and paid up Equity Share Capital as on March 31, 2024 was Rs. 13,24,65,930 divided into 13,24,65,930 Equity Shares of Re. 1/- each.

10. DEPOSITS

During the year, the Company has not accepted Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ("Act") read with Companies (Acceptance of Deposits) Rules, 2014 made under Chapter V of the Act and any other provision of the Act, read with rules made there under. As on March 31, 2024, there were no deposits lying unpaid or unclaimed.

11. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Annual Return is available on the website of the Company at <https://www.drccsystems.com/investor-relation/financials-reports/>.

12. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the financial year, there were no changes in the Board of Directors or Key Managerial Personnel.

Pursuant to Section 149, 152 and other applicable provisions of the Act and the Articles of Association of the Company, Mr. Sanket Khemuka (DIN: 06910440), is liable to retire by rotation and being eligible offers himself for re-appointment. As the re-appointment of Director is appropriate and in the best interest of the Company, the Board recommends the re-appointment of the director for your approval.

Brief details of the Director proposed to be appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is provided in the Notice of the AGM.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

None of the Directors of the Company have resigned from the office of Director of the Company during the year under review.

Mr. Hiten Barchha, Managing Director, Mr. Janmaya Pandya, Chief Financial Officer and Mr. Jainam Shah, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force). During the year, there was no change (appointment or cessation) in the office of KMPs.

13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act and under Listing Regulations. They have registered their names in the Independent Directors data-bank. They have also affirmed compliance to the Conduct for Independent Directors as prescribed in Schedule IV of the Act. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and Listing Regulations and are independent of the management.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

15. FAMILIARIZATION PROGRAMME

The details of the familiarization programme undertaken during the year have been provided in the Corporate Governance Report which forms part of this Annual Report.

The policy on Familiarization programme for Independent Directors as approved by the Board is uploaded on the Company's Website at <https://www.drcsystems.com/policies/>.

16. BOARD MEETINGS HELD DURING THE YEAR

The Board met 5 (Five) times during the Financial Year 2023-24. The meeting details are provided in the Corporate governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Listing Regulations.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as on March 31, 2024, are given in the Notes to the Financial Statements, which forms a part of this Annual Report.

18. PARTICULARS OF RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") during the Financial Year under review were on an arm's length basis and were in the ordinary course of business. Prior omnibus approval was obtained on a yearly basis for the transactions which were of a foreseeable and repetitive nature and the same were further executed on arm's length basis and in the ordinary course of business. Further, a statement giving details of all Transactions executed with Related Parties is placed before the Board of Directors on a quarterly basis for its approval/ ratification as the case may be.

All the transactions entered with related parties were in compliance with the applicable provisions of the Act read with the relevant rules made thereunder and the Listing Regulations.

During the year under review, all contracts/arrangements/transactions entered into by the Company with related parties were in the ordinary course of business and on arm's length basis and contracts/arrangements/transactions which were material, were entered into with related parties in accordance with the policy of the Company on Materiality of Related Party Transactions.

Details of contracts/arrangements/transactions with related party which are required to be reported in Form AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in **Annexure - B** to this report.

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed half yearly report on Related Party Transactions with the stock exchanges. However, you may refer to Related Party Transactions in Note no. 24 of the Standalone Financial Statements.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's Website at <https://www.drcsystems.com/policies>.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures to be made under Section 134(3) (m) of the Act read with rule 8 (3) of the Companies (Accounts) Rules, 2014 by the Company are as under:

i. Conservation of Energy

Steps taken or Impact on Conservation of Energy:

The Company strives and makes conscious efforts to reduce its energy consumption through business operations of the Company which are not energy intensive. Some of the measures undertaken are listed below:

1. Usage of LED lights at office spaces that are more energy efficient.
2. Regular monitoring of temperature inside the office premises and controlling the Air Conditioning system.
3. Analysing energy flows and balances to identify energy waste and inefficiencies.
4. PACs are deployed in shifts and groups to improve efficiency and life of equipment's.

5. Rationalisation of usage of electricity.

6. Planned preventive maintenance.

ii. Technology Absorption

The Company by itself operates into the dynamic information technology space. The Company has adequate Member in Technology development functions and keep updating the changes in technology.

IT team constantly monitor and optimise usage of proprietary software within Company. They optimise cost by replacing proprietary software by open source wherever possible.

iii. Foreign Exchange earnings and outgo

During the year under review, details of foreign exchange earnings and outgo are as given below:

(₹ in Lakhs)		
Particulars	Financial Year 2023-24	Financial Year 2022-23
Earning in Foreign Currencies	2,261.79	882.16
Expenditure in Foreign Currencies	26.51	7.33

20. NOMINATION & REMUNERATION POLICY OF THE COMPANY

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Act read with the Rules issued thereunder and the Listing Regulations.

This Policy is available on the website of the Company i.e. <https://www.drcsystems.com/policies>.

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy of the Company.

21. BOARD EVALUATION

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The annual performance evaluation of the Board, its Committees and each Director has been carried out for the Financial Year 2023-24 in accordance with the framework.

The annual performance evaluation of the Board, the Chairman, Committees and each Director has been carried out in accordance with the framework. The summary of the evaluation reports was presented to the respective Committees and the Board. The Directors had given positive feedback on the overall functioning of the Committees and the Board. The suggestions made by the Directors in the evaluation process have been suitably incorporated in the processes. The details of evaluation process of the Board, its Committees and individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

22. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of this Annual Report.

23. CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Practicing Company Secretaries on its compliance forms part of this Report as **Annexure - C**.

24. COMMITTEES OF THE BOARD

Details of various committees constituted by the Board of Directors as per the provision of the Listing Regulations and the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

25. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure - D** which forms part of this report.

The statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company.

If any Member is interested in obtaining a copy thereof, such Member may write to the Company at ir@drcsystems.com in this regard.

26. DETAILS OF EMPLOYEE STOCK OPTION PLAN (ESOP)

DRC Employee Stock Option Plan 2021-22 ("the Scheme") is administered under the instructions and supervision of the Nomination and Remuneration Committee ("NRC").

The Scheme is implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEBSE Regulations') with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives and promoting increased participation by them in the growth of the Company. The applicable disclosures as stipulated under SEBI SBEBSE Regulations with regard to Employees Stock Option Plan of the Company are available on the website of the Company at <https://www.drcsystems.com/>.

During the year ended March 31, 2024, there has been no material change in the Company's existing plan and the plan is in compliance with SEBI SBEBSE Regulations.

The Company has received a certificate from the Secretarial Auditors of the Company that the Scheme is implemented in accordance with the SEBI SBEBSE Regulations. A copy of the certificate would be available at the AGM for inspection by Members.

27. HUMAN RESOURCE

Our employees are our key strength, which has led us to achieve the results and various milestones in our organization's journey. The Company believes that attracting, developing and retaining talent is crucial to organizational success. The Company has several initiatives and programs to ensure employees experience a holistic and fulfilling career in the IT sector.

Keeping employees informed, connected and engaged has always been crucial to our people strategy. We remain focused on building trust through a culture of openness, conversations and opportunities to speak up. We grew stronger as a team by supporting each other wholeheartedly throughout the F.Y. 2023-24. Employees, their talent and capabilities are our greatest asset, our competitive advantage. In a highly competitive environment, our formidable talent pool becomes our key differentiator.

With a focus on digitalization, we are also implementing several robust HR practices and processes to enhance employee experience, engagement and enablement to deliver exemplary results. Some of the initiatives include structured talent management process, employee engagement surveys to check employee pulse, performance management system and so on.

28. ENHANCING SHAREHOLDERS VALUE

Your Company is committed to creating and returning value to shareholders. Accordingly, your Company is dedicated to achieving high levels of operating performance, cost competitiveness, enhancing the productive asset and resource base and striving for excellence in all areas of operations.

Your Company strongly believes that its success in the marketplace and good reputation are among the primary determinants of shareholder value. Its close relationship with customers and a deep understanding of their challenges and expectations drive the development of new products and services. Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. Your Company continues to develop this strength by institutionalizing sound commercial processes and building world-class commercial capabilities across its marketing and sales teams. Your Company uses an innovative approach in the development of its services, as well as execution of growth opportunities.

Your Company is also committed to creating value for all its stakeholders by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of the triple bottom line.

29. AUDITORS AND AUDITORS' REPORT

I. STATUTORY AUDITORS

M/s Rajpara Associates, Chartered Accountants, (Firm Registration No. 113428W) were re-appointed as the Statutory Auditors of the Company at the 10th AGM of the Members of the Company held on June 29, 2022, for a period of five (5) years to hold office till the conclusion of the 15th AGM.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder (including any statutory modification (s) or re-enactment(s) for the time being in force), from M/s Rajpara Associates, Chartered Accountants, (Firm Registration No. 113428W).

Statutory Auditors' Report

During the period under review, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143 (12) of the Act. The Auditors' Report is enclosed with the financial statements forming a part of this Annual Report.

II. SECRETARIAL AUDITORS:

In terms of Section 204 of the Act and rules made thereunder, the Board had appointed Mr. Jitendra Leeya, Practicing Company Secretary, a peer reviewed firm, as the Secretarial Auditors to conduct an audit of the secretarial records for the Financial Year 2024-25.

Secretarial Audit Report

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Act from Mr. Jitendra Leeya, Practicing Company Secretary. The said Report is attached with this Report as **Annexure – E**.

There are no remarks / qualification in the Secretarial Audit Report, hence no explanation has been offered.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The brief details of CSR Committee are provided in the Corporate Governance Report which forms part of this report.

The Annual Report on CSR activities is annexed to this Report as **Annexure – F**.

The CSR policy is available on your Company's website <https://www.drcsystems.com/policies>.

31. VIGIL MECHANISM

The Company has established a robust Vigil Mechanism and adopted a Whistle Blower Policy in accordance with provisions of the Companies Act, 2013 and Listing Regulations, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The policy of vigil mechanism ("Whistle Blower Policy") is available on the Company's website at <https://www.drcsystems.com/policies>.

32. INTERNAL FINANCIAL CONTROLS

Internal Financial Controls forms an integrated part of the risk management process, addressing financial and financial reporting risks. Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the auditors during the course of their audits. The internal financial controls have been documented, digitized and embedded in the business processes. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended. Detailed information on the same has been included under the Management Discussion & Analysis report forming part of this Annual Report.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under the policy. During the Financial Year under review, no complaint has been received by the Company under this Policy. The Company is committed to provide a safe and conducive work environment to all its employees and associates.

The Policy for prevention of Sexual Harassment is available on the Company's website at <https://www.drcsystems.com/policies>.

34. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Member and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct of Board of Directors is also available on the Company's website <https://www.drcsystems.com/policies>.

35. LISTING

The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") having nation-wide trading terminals. Annual Listing Fee for the Financial Year 2024-25 has been paid to NSE and BSE.

36. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

37. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

There are no amounts that are due to be transferred to Investor Education and Protection Fund by the Company.

38. OTHER DISCLOSURES

- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2);
- The Managing Director of the Company has not received any remuneration or commission from any of Company's subsidiary.
- The Audit Committee comprises namely of Mr. Jigar Shah (Chairman), Mr. Keyur Shah, Mr. Rookishan Dave and Hiten Barchha (Members). During the year under review, all the recommendations made by the Audit Committee were accepted by the Board;
- Interested Directors were recused from the discussion of the agenda items, in which they were interested, of the Board or Committee meetings held during the year.
- The Company has not issued Equity Shares with differential rights as to dividend voting or otherwise;
- The Company has not issued any Sweat Equity Shares to its Directors or Employees.
- No application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, hence, the requirement to disclose the details is not applicable.
- There was no instance where your Company required the Valuation for one-time settlement or while taking the loan from the Bank or Financial institutions.
- The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the business activities carried out by the Company.

39. ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the committed services by every member of the DRC family whose contribution was significant to the growth and success of the Company.

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges, depositories, auditors, legal advisors, consultants and business associates with whose help, cooperation and hard work the Company is able to achieve the results.

The Board deeply acknowledges the trust and confidence placed by the customers of the Company and all its shareholders.

For and on behalf of Board of Directors

**Place: Gandhinagar
Date: August 08, 2024**

**Keyur Shah
Chairman
DIN: 03111182**

FORM AOC-1

Part – A: Subsidiary Companies

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in Lakhs)

Sr. No.	Particulars	DRC Systems EMEA LLC-FZ	DRC Systems USA LLC
1	Name of Subsidiaries		
2	The date since when subsidiary was acquired	July 06, 2022	July 17, 2023
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	UAE Dirham Exchange rate as on March 31, 2024, 1 AED = 22.7125 INR	USD Exchange rate as on March 31, 2024, 1 USD = 83.405 INR
5	Paid up share capital	22.71	0.08
6	Reserves & surplus	1202.64	12.74
7	Total assets	3594.91	32.51
8	Total liabilities	2369.57	19.68
9	Investment	11.29	0
10	Turnover	1304.00	142.57
11	Profit / (Loss) before taxation	913.81	12.64
12	Provision for taxation	0	0
13	Profit (Loss) after Tax	913.81	12.64
14	Proposed Dividend	0	0
15	% of Shareholding	100.00%	100.00%

Notes:

1. Name of Subsidiaries which have been liquidated or sold during the year – None.
2. Name of subsidiaries which are yet to commence operations – None.

Part- B: Associate & Joint Venture

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in Lakhs)

Sr. No.	Particulars	Details
	Name of Associate Company	Nighthack Technology Private Limited (w.e.f. October 27, 2023)
1	Latest Audited Balance sheet Date	31 st March 2024
2	Shares of Associates or Joint Ventures held by the Company on the Year end	Equity Shares
	No. of Shares	820
	Amount of Investment in Associates or Joint Ventures	100.00
	Extent of Holdings (In Percentage)	45.05%
3	Description of how there is significant influence	Not Applicable
4	Reason why the associates / Joint Ventures is not Consolidated	Consolidation carried out based on equity method
5	Net worth attributable to Shareholding as per latest audited balance Sheet	67.15
6	Profit or (Loss) for the Year	
	i. Considered in Consolidation	4.79
	ii. Not Considered in Consolidation	12.77

Notes:

1. Name of associates/joint ventures which are yet to commence operations – NIL
2. Names of associates/joint ventures which have been liquidated or sold during the year – None

For and on behalf of the Board of Directors

Place: Gandhinagar
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Janmaya Pandya
Chief Financial Officer

Keyur Shah
Chairman
DIN: 03111182
Jainam Shah
Company Secretary



FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Not Applicable

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details	
a	Name (s) of the related party & nature of relationship	AppiZap LLC FZ ("AppiZap") AppiZap is an Associate of Wholly Owned Subsidiary of the Company.	Infibeam Avenues Limited ("Infibeam") Infibeam held more than 10% stake in the Company during FY 2022-23
b	Nature of contracts/arrangements/transaction	Service given	Service Taken
c	Duration of the contracts/arrangements/transaction	FY 2023-24	FY 2023-24
d	Salient terms of the contracts or arrangements or transaction including the value, if any	The RPTs entered during the year were in the ordinary course of business and on an arm's length basis.	
e	Amount (Rs. in Lakhs)	Rs. 1658.40 Lakhs	Rs. 1497.55 Lakhs
f	Date of approval by the Board	Transaction of the Company are in the ordinary course of business and on an arm's length basis and accordingly, approval of the Board was not applicable.	
g	Amount paid as advances, if any	NIL	NIL

For and on behalf of Board of Directors

Keyur Shah
Chairman
DIN: 03111182

REPORT ON CORPORATE GOVERNANCE

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") and the report contains the details of Corporate Governance systems and processes at DRC Systems India Limited for the Financial Year ended March 31, 2024 is given herein below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance means corporate fairness, transparency and accountability with which an organization conducts its activities, while applying the best management practices, complying with law in true letter & spirit and adhering to ethical standards for effective management and distribution of wealth. Ethically driven business processes form the foundation of a well-governed and socially responsible organization. The essence of Corporate Governance lies in integrity, transparency and accountability in all spheres of management, while striving towards long-term value creation for all stakeholders in a sustainable manner.

At DRC Systems India Limited ("DRC" or "the Company"), corporate governance is a reflection of the principles embedded in its values, policies and day-to-day business practices, leading to sustainable, value-driven growth of the Company. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed towards maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

The Corporate Governance framework at DRC is based on the following guiding principles:

- Securities related filings with Stock Exchanges are circulated/ placed before the Company's Board of Directors.
- The Company has following Board Committees: Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Securities Allotment Committee.

- The Company also undergoes Secretarial Audit conducted by an Independent firm of Practising Company Secretaries. The Secretarial Audit Report is placed before the Board and forms part of the Annual Report.
- Observance and adherence of all applicable Laws including Secretarial Standards-1 & 2 issued by the Institute of Company Secretaries of India.

The Company's governance framework is based on the following principles:

- ▶ Follow the spirit of the law and not just the letter of the law, Corporate Governance standards should go beyond the law;
- ▶ Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- ▶ Availability of information to the Members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- ▶ Timely disclosure of material operational and financial information to the stakeholders;
- ▶ Systems and processes in place for internal control;
- ▶ Proper business conduct by the Board, Senior Management and Employees;
- ▶ Embracing a trusteeship model in which the management is the trustee of the Shareholders' capital;
- ▶ Making a clear distinction between personal convenience and corporate resources.

The Company has adopted a Code of Conduct for its employees including the Directors and the Key Managerial Personnel ("KMPs") and the Senior Management. In addition, the Company has also adopted a Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("Act"). The Company's Corporate Governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

SHAREHOLDERS

The Act and the Listing Regulations prescribe the governance mechanism by shareholders in terms of passing of ordinary and special resolutions, voting rights, participation in the corporate actions such as bonus issue, buyback of shares, declaration of dividend, etc. Your Company follows a robust process to ensure that the shareholders of the Company are well informed of Board decisions both on financial and non-financial matters and adequate notice with a detailed explanation is sent to the shareholders well in advance to obtain necessary approvals.

BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance in managing the Company, bringing in strategic vision and direction to oversee the achievement of its corporate objectives. Your Company actively seeks to adopt best global practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for earning higher returns for its stakeholders, protection of their interests and better corporate governance. Therefore, DRC's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. DRC Board's uniqueness lies in the fact that the Board balances several deliverables, achieves sound corporate governance objectives in a promoter owned organisation and acts as a catalyst in creation of stakeholder value.

A. Composition of the Board:

The Company has a very balanced and diversified Board of Directors. The Composition of the Board primarily takes care of the business needs and Stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and highly renowned persons from the fields of finance & taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing their valuable guidance and expert advice to the Board and the Management on various aspects of business, policy direction, governance, compliance etc. and play a critical role in resolving strategic issues, which enhances the transparency and adds value in the decision making process of the Board of Directors. The Company has also devised a policy on board diversity.

As per requirement of the Listing Regulations, the Board Structure of the Company maintains an optimum combination of Executive, Non-Executive Directors with at least one Woman (Independent) Director and not less than fifty percent of the Board of Directors comprising of Non-Executive Directors. The Composition of the Board is in conformity with the Listing Regulations. As on March 31, 2024, our Board comprises of Seven members, consisting of One Non-Executive and Independent Chairman, Two Executive Directors including One Managing Director, One Non-Executive Director and Three other Independent Directors including One Woman Independent Director. The Board periodically evaluates the need for change in its size and composition.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

B. Directors' Directorships/Committee memberships:

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in not more than 10 committees excluding private limited Companies, foreign Companies and Companies under Section 8 of the Companies Act, 2013 or acts as a Chairperson of not more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further, all Directors have informed about their Directorships, Committee Memberships/Chairmanships, including any changes in their positions. The Executive Director & Managing Director do not serve as Independent Directors in any listed company. Relevant details of the Board of Directors as on March 31, 2024 are given below:

Name of Directors*	Category	Board Meeting(s) Details		No. of Directorship in other Public Company**	No. of Committee positions held in other Companies		Attendance at the last AGM Yes / No	Directorship in other listed entity (Category of Directorship)
		Entitled to Attend	Attended @		Chairman	Member#		
Mr. Keyur Shah DIN: 03111182	Non-Executive Independent Director & Chairman	5	5	1	2	2	Yes	1. Infinium Pharmachem Limited (Non-Executive, Independent Director)
Mr. Hiten Barchha DIN: 05251837	Promoter/ Managing Director	5	5	0	0	0	Yes	-
Mr. Janmaya Pandya DIN: 09019756	Executive Director & Chief Financial Officer	5	5	0	0	0	Yes	-
Mr. Sanket Khemuka DIN: 06910440	Non - Executive Director	5	1	0	0	0	Yes	-
Mr. Roopkishan Dave DIN: 02800417	Non-Executive Independent Director	5	1	5	0	3	No	1. Infibeam Avenues Limited (Non-Executive, Independent Director)
Mr. Jigar Shah DIN : 08174430	Non-Executive Independent Director	5	5	0	0	0	Yes	-
Ms. Dipti Chitale DIN: 08991506	Non-Executive Independent Director	5	4	0	0	0	Yes	-

Notes: The committees considered for the purpose are Audit Committee and Stakeholders' Relationship Committee, excluding that of DRC Systems India Limited.

* Profile of all the Directors is available on the website of the Company at <https://www.drcsystems.com/about-us/>.

**The Directorship held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies, which were not the subsidiaries of Public Limited Companies.

@Meetings attended by Video Conferencing, if any is also included in the attendance.

#Membership includes Chairmanship position.

Director's Inter-se Relationship:

None of the Directors of the Company are related inter-se.

C. Number of Board Meetings:

The Company adheres to the provisions of the Act read with the Rules made thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees.

The Company follows a methodized process of collective decision-making by the Board and its Committees. The meeting dates are usually finalized in consultation with all Directors, in order to ensure presence of all Board Members / Committee Members in the meetings. All agenda items and explanatory notes (except for price sensitive information, which is circulated separately before the meeting by complying with the applicable statutory provisions) including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations, are normally sent to the Directors well in advance for the Meetings of the Board and its Committees. To address specific urgent business needs, meetings are sometimes also called at a shorter notice by complying with the applicable statutory provisions. Utmost efforts are made to adhere to the minimum notice & agenda period in such cases. The Chairman of the Company decides inclusion of any matter in the agenda, for discussion in the Meeting of the Board/Committees. The Meetings of the Board and Committees are generally held at the Registered Office of the Company at Gandhinagar, during office hours. The Company also complies with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) in respect of Meetings of Board and Shareholders.

Detailed presentations are made at the Board / Committee meetings covering finance, major business segments and operations of the Company, global business environment, key business areas of the Company including business opportunities, business strategy and the risk management practices, before taking on record the quarterly / half yearly / annual financial results of the Company.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned, promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee, for noting by the Board /Committee.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company.

During the Financial Year 2023-24, 5 (Five) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. The Board periodically reviews the compliance reports of all laws applicable to the Company.

The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held		
May 29, 2023	July 28, 2023	October 20, 2023
January 18, 2024	March 29, 2024	

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the Meetings.

The Company Secretary attends the Board Meetings and advises the Board on compliances with applicable laws and governance processes.

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of Schedule V of the Listing Regulations.

D. Disclosures Regarding Appointment/Re-Appointment of Directors:

Mr. Sanket Khemuka, Non-Executive Director, is retiring at the ensuing Annual General Meeting, and being eligible, has offered himself for re-appointment.

In line with the requirements of Listing Regulations, the appointment/ re-appointments, if any, are being made keeping in mind the proximity to 75 (seventy-five) years of age.

Brief resume and other relevant details of the Director proposed to be appointed are given in the Notice of the AGM.

E. The shareholding of the Directors of your Company as on March 31, 2024

Sr. No.	Name of Directors	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
1.	Mr. Keyur Shah	Non-Executive Independent Director & Chairman	NIL	0.00
2.	Mr. Hiten Barchha	Managing Director / Promoter	26,96,730*	2.04
3.	Mr. Janmaya Pandya	Executive Director & CFO	64,710*	0.05
4.	Mr. Sanket Khemuka	Non-Executive Director	NIL	0.00
5.	Mr. Roopkishan Dave	Non-Executive Independent Director	30*	0.00
6.	Mr. Jigar Shah	Non-Executive Independent Director	NIL	0.00
7.	Ms. Dipti Chitale	Non-Executive Independent Director	NIL	0.00

* Increase in no. of Shares pursuant to the Bonus Issue in the ratio of 2:1 (2 new Bonus Equity Shares for 1 Equity Share held) as on the Record Date i.e. February 27, 2024.

The Company has not issued any convertible instruments to any Directors of the Company during the Financial Year 2023-24.

F. Evaluation of the Board Effectiveness:

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the Financial Year 2023-24.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. The parameters of the performance evaluation process for Directors, inter alia, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging

fiduciary and governance duties and performance of specific duties. The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, independence of the Committee from the Board, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, and quality of relationship of the Committee with the Board and the Management etc.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance of the entire Board of the Company, its Committees and individual Directors including Independent Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Executive / Non-Executive Directors including the Chairman of the Board.

The Board of Directors at its meeting held on March 29, 2024, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

G. Independent Directors:

The Company has on its Board, eminent Independent Directors who have brought in independent judgement to Board's deliberations including issues of strategy, risk management and overall governance. They have played a pivotal role in safeguarding the interests of all stakeholders.

The Board, inter-alia, considers criteria as prescribed under the Companies Act, 2013 and the Listing Regulations viz. positive attributes, area of expertise, number of directorships and memberships held in various committees of other companies by such persons in accordance with the Company's Policy.

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of Independence specified in the Listing Regulations and are Independent of the management of the Company. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013.

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as an Independent Director in more than seven listed Companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

Policy of Code of Conduct and Term & Conditions of Appointment of Independent Director is placed on your Company's website <https://www.drccsystems.com/policies>.

H. Independent Directors' Meeting:

To comply with the provisions of Schedule IV of the Act read with Regulation 25 of SEBI (LODR) Regulations, the Independent Directors met once during the Financial Year 2023-24 on November 22, 2023, without the presence of Non-Independent Directors and members of the management team and inter-alia reviewed:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and

- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

They expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda of meetings.

I. Familiarisation Programme:

The Company conducts Familiarization Programme for the Independent Directors to enable them to be familiarized with the Company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading. They are provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole.

Further, on an ongoing basis, Independent Directors are regularly updated in the Board Meetings on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. As a process when a new Director is appointed, a familiarization programme is conducted by the senior management team and whenever a new member is appointed to a Board Committee, information relevant to the functioning of the Committee and the role and responsibility of Committee members is informed.

Brief details of the familiarization programme are uploaded on the website of your Company, i.e. <https://www.drccsystems.com/policies>.

J. Key Board qualifications, expertise and attributes:

The Board of Directors of DRC comprises of qualified members, who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board Members are committed in ensuring that DRC is in compliance with the highest standards of Corporate Governance. Considering the nuances of the business, the Board has identified the following key skills, expertise, competencies and attributes of Directors, which enable it to function effectively:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Leadership	Extended leadership experience for establishing a clear vision, providing guidance, knowledge and methods to realize that vision, involving setting & achieving organizational goals and taking actions for achievement of such goals.
Financial skills	Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Business Development	Experience in developing strategies to increase business and market share, build brand awareness and enhance corporate reputation by creating long-term value for borrowers/investors, markets and all other stakeholders.
Technology and Innovation	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data security etc.

The following is the list of core skills/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Name of Director	Area of skills/expertise/ competencies				
	International Business Experience	General Management Governance	Financial Skills	Strategy and Planning	Technology and Innovation
Mr. Keyur Shah	✓	✓	✓	✓	✓
Mr. Hiten Barchha	✓	✓	✓	✓	✓
Mr. Janmaya Pandya	✓	✓	✓	✓	✓
Mr. Sanket Khemuka	✓	✓	✓	✓	✓
Mr. Rookkishan Dave	✓	✓	✓	✓	✓
Mr. Jigar Shah	✓	✓	✓	✓	✓
Ms. Dipti Chitale	✓	✓	✓	✓	✓

Notes:

Each Director may possess varied combinations of skills/ expertise within the described set of parameters, however it may not be necessary that all Directors possess all skills/ expertise listed therein.

COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening the Corporate Governance practices. The Board Committees are set up under a formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board as a part of good governance practice. The Board supervise the execution of responsibilities by the Committee. Minutes of the proceedings of all the Committee meetings are circulated to the Board to discuss and take note of the same. The Board Committees may request special invitees to join the meeting, as deemed appropriate.

The Board of Directors of DRC functions either as full Board, or through various Committees constituted to oversee specific areas of business operations and Corporate Governance. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals, focus on their assigned areas and make informed decisions within the authority delegated to them.

As on March 31, 2024, the Board had the following mandatory and non-mandatory Committees:

A. Mandatory Committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee

B. Non- Mandatory Committee:

1. Securities Allotment Committee

1. AUDIT COMMITTEE:

The primary objective of Audit Committee is, to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in financial reporting process by the Management, internal auditors and independent auditors. The Audit Committee is responsible for selection, evaluation, and where appropriate, replacing the independent auditors in accordance with the law.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive Independent Directors. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the Financial Year 2023-24 is detailed below:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended*
1.	Mr. Jigar Shah	Non –Executive Independent Director	Chairman	5	5
2.	Mr. Keyur Shah	Non –Executive Independent Director	Member	5	5
3.	Mr. Rookrishnan Dave	Non –Executive Independent Director	Member	5	1
4.	Mr. Hiten Barchha	Managing Director	Member	5	5

*Meetings attended by Video Conferencing, if any is also included in the attendance.

Mr. Jainam Shah, Company Secretary, acts as a Secretary to the Committee.

The Committee invites the Statutory Auditors, Internal Auditors and other related functional executives of the Company to attend the meeting when required.

During the Financial Year 2023-24, 5 (Five) meetings of the Audit Committee were held and the maximum time gap between two meetings did not exceed one hundred and twenty days.

The dates of the Audit Committee meetings are as under:

Date(s) on which meeting(s) were held		
May 29, 2023	July 28, 2023	October 20, 2023
January 18, 2024	March 29, 2024	

The Chairman of the Audit Committee, Mr. Jigar Shah was present at the AGM held on September 14, 2023. The Chairman of the Audit Committee briefs the Board members about the significant discussions held at the Audit Committee meetings.

Minutes of the Audit Committee Meetings are circulated to the members of the Board, discussed and taken note of.

The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following:

A) Scope and functions:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. 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 to be 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, as amended;
 - 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; and
 - g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing with the Management, the financial statements of subsidiaries and in particular the investments made by each of them;
8. 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 utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;
9. Approval or any subsequent modifications of transactions of the Company with related parties;
10. Scrutinising of inter-corporate loans and investments;

11. Valuing of undertakings or assets of the Company, wherever it is necessary;
12. Evaluating of internal financial controls and risk management systems;
13. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
14. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
15. Reviewing the adequacy of 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;
16. Discussing with internal auditors on any significant findings and follow up there on;
17. 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;
18. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Looking 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;
20. Reviewing the functioning of the whistle blower mechanism;
21. Review and approve, policy formulated for determination of material subsidiaries;
22. Review and approve, policy on related party transactions and also dealing with related party transactions;
23. Approving the appointment of the Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
24. Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
26. To provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices;
27. To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer;
28. To give suitable directions for initiating penal action against any person upon being informed by the Compliance Officer that such person has violated the Code of Conduct for Prevention of Insider Trading and/or Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
29. To review and recommend to the Board for approval – Business plan, Budget for the year and revised estimates; and
30. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

B) Power of Audit Committee:

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

C) Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
5. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the Listing Regulations.

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Stakeholders' Relationship Committee has 3 Members comprising of all Non-Executive Independent Directors.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2023-24 is detailed below:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended*
1.	Mr. Keyur Shah	Non-Executive Independent Director & Chairman	Chairman	2	2
2.	Mr. Rookishan Dave	Non-Executive Independent Director	Member	2	0
3.	Mr. Jigar Shah	Non-Executive Independent Director	Member	2	2

**Meetings attended by Video Conferencing, if any is also included in the attendance.*

During the Financial Year 2023-24, 2 (Two) meetings of the Stakeholder Relationship Committee were held on following dates:

Date(s) on which meeting(s) were held	
May 29, 2023	October 20, 2023

The Chairman of the Stakeholders' Relationship Committee, Mr. Keyur Shah was present at the AGM held on September 14, 2023.

The Committee looks into the matters of Shareholders'/ Investors grievances along with other matters listed below:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. Recommend measures for overall improvement of the quality of investor services;
6. Approve issue of duplicate certificates of the Company;
7. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

Mr. Jainam Shah, Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws.

Investor Grievance Redressal:

Details pertaining to the number of complaints received and responded and the status thereof during the Financial Year 2023-24 are given below:

Opening as on April 01, 2023.	Received during the year	Resolved during the year	Closing as on March 31, 2024
0	2	2	0

All complaints have been resolved to the satisfaction of shareholders

The Secretarial Department of the Company and the Registrar and Share Transfer Agent i.e. Link Intime India Private Limited attend all the grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Company endeavours to implement suggestions as and when received from the Investors

3. NOMINATION AND REMUNERATION COMMITTEE:

The role of the Nomination and Remuneration Committee is governed by its Policy and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee of the Company comprises of 4 Directors comprising of 3 Non-Executive Independent Directors and 1 Non-Executive Non-Independent Director.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2023-24 is detailed below:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended*
1.	Mr. Roopkishan Dave	Non-Executive Independent Director	Chairman	3	1
2.	Mr. Jigar Shah	Non-Executive Independent Director	Member	3	3
3.	Mr. Keyur Shah	Non-Executive Independent Director	Member	3	3
4.	Mr. Sanket Khemuka	Non-Executive Director	Member	3	1

*Meetings attended by Video Conferencing, if any is also included in the attendance.

During the Financial Year 2023-24, 3 (Three) meetings of the Nomination and Remuneration Committee were held on following dates:

Date(s) on which meeting(s) were held		
May 29, 2023	December 01, 2023	March 29, 2024

Mr. Jainam Shah, Company Secretary and Compliance Officer of the Company acts as a Secretary to the Committee.

The Minutes of the Nomination and Remuneration Committee Meetings are circulated to the members of the Board, discussed and taken note of.

The roles and responsibilities of the Committee covers the area as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any, besides other role and powers entrusted upon it by the Board of Directors from time to time. The roles and responsibilities of the Committee include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required, for every appointment of an independent director;
3. Formulating of criteria for evaluation of the performance of the Independent Directors and the Board;
4. Recommend to the Board the appointment or re-appointment of Director;
5. Recommend to the Board the appointment of Key Managerial Personnel;
6. Devising a policy on Board diversity;
7. Specify methodology for effective evaluation of performance of Board/ Committees/Directors either by Board, Nomination and Remuneration Committee or an Independent external agency and to review implementation of evaluation system;
8. Carry out the evaluation of every Director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
9. Identifying persons who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every Director's performance;
10. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
11. Analysing, monitoring and reviewing various human resource and compensation matters;
12. Determining the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
13. Recommending to the Board all remuneration, in whatever form, payable to Senior Management;
14. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
15. Performing such functions as are required to be performed by the compensation committee under the ESOP and other Regulations;
16. Suggesting to Board/ shareholder's changes in the Employee Stock Option Plan (ESOP) and Stock Appreciation Rights (SAR);
17. Deciding the terms and conditions of ESOP and SAR;



18. Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities;
19. Performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Act or Listing Regulations or by any other regulatory authority; and
20. Any other terms of reference as per the provisions of the act and listing regulations (including any other amendments thereto).

Nomination and Remuneration Policy:

The Company has formulated a Nomination and Remuneration Policy which indicates criteria for making payment to Non-Executive Directors. As per the said Policy, the remuneration / commission to Non-Executive Directors shall be in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder for the time being in force. The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 per meeting of the Board or Committees.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at <https://www.drccsystems.com/policies>.

Performance Evaluation:

Upon recommendation of Nomination and Remuneration Committee the Board of Directors has laid down the process, format, attributes and criteria for performance evaluation of the Board of the Company, its Committees and the individual Board members, including Independent Directors. On the basis of performance evaluation of Independent Directors, it is determined whether to extend or continue their term of appointment, whenever their respective term expires.

The Independent Directors at their separate meeting reviewed the performance of: Non-Independent Directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Directors and Non-Executive Directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The performance evaluation process for the Financial Year 2023-24 has been completed.

Details of Remuneration:

(i) Remuneration to Executive Directors:

The Board in consultation with the Nomination and Remuneration Committee decides the remuneration structure for Executive Directors etc. On the recommendation of the Nomination and Remuneration Committee, the Remuneration payable is approved by the Board of Directors and by the members in the General Meeting in terms of provisions applicable from time to time.

The details of remuneration including commission to all Executive Directors for the Financial Year 2023-24 are as follows and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013.

Name and designation	Service Contracts	Notice Period	Salary	Commission	Pension	Perquisites and other allowances	Severance Fee	Performance linked incentives	Performance criteria	Stock options (No. of Options)
Mr. Hiten Barchha (Managing Director)	Re-appointed w.e.f. November 09, 2023 till November 08, 2026		65.00	0	0	0	Nil	Nil	Nil	0
Mr. Janmaya Pandya (Executive Director and Chief Financial Officer)	Re-appointed w.e.f. January 06, 2024 till January 05, 2027	As per the rules of the Company	15.52	0	0	5.70*	Nil	Nil	Nil	75,000**

*ESOP exercised during the year

**During the Financial Year 2023-24, Stock Options were granted in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and DRC Employee Stock Option Plan 2021-22 and increase in no. of Options pursuant to the Bonus Issue in the ratio of 2:1 (2 new Bonus Equity Shares for 1 Equity Share held).

(ii) Remuneration to Non-Executive Directors:

Sitting fees has been paid to Non-Executive Directors for the Financial Year 2023-24 and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013.

There are no pecuniary relationship or transaction between the Non-Executive Independent Directors and the Company. The Company has not granted any stock option to its Non-Executive Directors during the Financial Year 2023-24.

The Company has also taken a Directors' & Officers' Liability Insurance Policy.

Details of remuneration paid to Directors for the Financial Year 2023-24 is as under:

(₹ in Lakhs)

Name and designation	Designation	Sitting Fees	Salary & Perquisites	Commission	Total
Mr. Hiten Barchha	Managing Director	0	65.00	0	65.00
Mr. Janmaya Pandya	Executive Director & Chief Financial Officer	0	21.22	0	21.22
Mr. Keyur Shah	Non-Executive Independent Director and Chairman	1.75	0	0	1.75
Mr. Sanket Khemuka	Non-Executive Director	0.25	0	0	0.25
Mr. Jigar Shah	Non-Executive Independent Director	1.75	0	0	1.75
Mr. Roopkishan Dave	Non-Executive Independent Director	0.35	0	0	0.35
Ms. Dipti Chitale	Non-Executive Independent Director	0.60	0	0	0.60

The Executive Directors are not being paid sitting fees for attending meetings of the Board of Directors and its committees.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company constituted Corporate Social Responsibility Committee on March 29, 2024 and the role of the Corporate Social Responsibility Committee ("CSR") is governed by its Policy and its composition is in compliance with the provisions of Section 135 of the Act and rules made thereunder.

As on March 31, 2024, Mr. Janmaya Pandya is the CSR Officer of the Committee.

The Composition of the Corporate Social Responsibility Committee of the Board of Directors is mentioned below:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting (s) Details	
				Entitle to attend	Attended
1.	Mr. Jigar Shah	Independent Director	Chairman	NA	NA
2.	Mr. Hiten Barchha	Managing Director	Member	NA	NA
3.	Mr. Janmaya Pandya	Executive Director & Chief Financial Officer	Member	NA	NA

Note: As CSR Committee was constituted on March 29, 2024, no meeting held during the FY 2023-24

The role of CSR Committee is as under:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII in compliance with the Act and rules thereunder and review thereof;
- Formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.
- Recommend the amount of expenditure to be incurred on the activities;
- Monitor the implementation of framework of CSR Policy of the Company from time to time;
- Submit annual report of CSR activities to the Board;
- Review and monitor all CSR projects; and
- Such other activities as the Board of Directors may determine from time to time.

A CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act and the CSR Expenditure thereon. The CSR policy of the Company is available on the website of the Company <https://www.drcsystems.com/policies>.

5. SECURITIES ALLOTMENT COMMITTEE:

During the year under review, your Company had constituted a Securities Allotment Committee to issue and allot Equity Shares and/or any Convertible securities of the Company to the shareholders.

The Composition of the Securities Allotment Committee as at March 31, 2024 is as under:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting (s) Details	
				Held	Attended*
1.	Mr. Keyur Shah	Independent Director	Chairman	01	01
2.	Mr. Hiten Barchha	Managing Director	Member	01	01
3.	Mr. Jigar Shah	Independent Director	Member	01	01

*Meetings attended by Video Conferencing, if any is also included in the attendance.

During the Financial Year 2023-24, 1 (One) meeting of the Securities Allotment Committee was held on following date:

Date(s) on which meeting(s) were held

February 29, 2024

SENIOR MANAGEMENT

A senior management team consists of core member of the management team, which are leading and managing a team of employees, providing guidance and support as needed. The Profile of the Senior Management is available on the website of the Company at <https://www.drcsystems.com/about-us/>. There has no change in the senior management team since close of the previous Financial Year.

SUBSIDIARY COMPANIES

As on March 31, 2024, Your Company have one material subsidiary Company i.e. DRC Systems EMEA LLC-FZ in terms of Regulation 16 of the Listing Regulations. The Audit Committee reviews the Financial Statements including investments by the unlisted subsidiary Companies.

The Policy for determining “material” subsidiaries has been placed on the website of your Company i.e. <https://www.drcsystems.com/policies>.

GENERAL BODY MEETINGS

a. Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue	Whether any Special Resolution Passed
2020-2021	September 28, 2021	10:00 am	Meeting conducted through VC / OAVM pursuant to the MCA and SEBI Circular(s)	Yes Special Resolutions: 1. Approval for Appointment of Mr. Janmaya Pandya as an Executive Director. 2. Approval of the DRC Employee Stock Option Plan 2021-2022 of the Company and Grant of Employee Stock Options to the Employees of the Company. 3. Approval of the DRC Employee Stock Option Plan 2021-2022 of the Company and Grant of Employee Stock Options to the Employees of the Holding and Group Company (ies) including subsidiaries and associates of the Company.
2021-22	June 29, 2022	11.00 a.m.	Meeting conducted through VC / OAVM pursuant to the MCA and SEBI Circular(s)	No
2022-23	September 14, 2023	11.00 a.m.	Meeting conducted through VC / OAVM pursuant to the MCA and SEBI Circular(s)	Yes Special Resolutions: 1. Approval for Re-appointment of Mr. Hiten Barchha (DIN: 05251837) as the Managing Director of the Company. 2. Approval for Re-appointment of Mr. Janmaya Pandya (DIN: 09019756) as the Executive Director of the Company.



b. Whether special resolutions were put through postal ballot last year, details of voting pattern:

During the year under review, no resolution was passed through Postal Ballot.

c. Whether any special resolution is proposed to be conducted through postal ballot:

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information to all stakeholders which promote management shareholder relations. The Company regularly interacts with shareholders through multiple channels of communications. We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large. The details of the means of communication with shareholders/ analysts are given below:

1. Publication of results:

Quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges and published in leading English and vernacular language newspapers, (viz., Financial Express – National Daily all editions and Financial Express – Gujarati edition). Simultaneously, they are also displayed on the Company's website and can be accessed at www.drcsystems.com.

2. News Releases:

Official news releases, press releases along with results are displayed on the Company's website at www.drcsystems.com.

3. Website:

The Company's website, www.drcsystems.com contains a separate dedicated section 'Investors Desk' where Shareholders' information is available.

4. Annual Report:

The Annual Report containing, inter alia, Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report. The Company's Annual Report is also available in downloadable form on the Company's website i.e. www.drcsystems.com.

5. Stock Exchange(s):

The Company makes timely disclosures of necessary information to the BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

6. NEAPS (NSE Electronic Application Processing System), and BSE Corporate Compliance & the Listing Centre:

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, financial results, Shareholding Pattern, Corporate Governance Report, Corporate Announcements, statement of investor complaints, and other such filings are in accordance with the Listing Regulations filed electronically on NEAPS / BSE Listing centre.

7. SEBI Complaints Redress System (SCORES 2.0) and Online Dispute Resolution System (SMART ODR):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status

8. Exclusive email ID for investors:

The Company has designated the email id ir@drcsystems.com exclusively for investor servicing.

GENERAL SHAREHOLDER INFORMATION

(i) Company Registration Details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72900GJ2012PLC070106.

(ii) Annual General Meeting:

Date	September 17, 2024
Day	Tuesday
Time	11.00 a.m.
Place	Meeting is being conducted through VC/OAVM pursuant to the relevant MCA Circular(s) and SEBI Circular(s) and hence there is no requirement to have a venue for the AGM. For more details, please refer to the Notice of this AGM.

(iii) Financial Calendar:

Financial Year	April 01, 2023 to March 31, 2024
Tentative Schedule for declaration of results during the Financial Year 2024-25:	
First Quarter	On or before August 14, 2024
Second Quarter and Half yearly	On or before November 14, 2024
Third Quarter and Nine Months	On or before February 14, 2025
Fourth Quarter and Annual	On or before May 30, 2025

(iv) Book Closure

Tuesday, September 10, 2024 to -Tuesday, September 17, 2024 (both days inclusive)

(v) Dividend Payment Date

Not Applicable as the Board did not recommend any dividend for the Financial year.

(vi) Listing on Stock Exchanges

Sr. No.	Name of Stock Exchange(s)	Stock Code (s)	ISIN for Depositories
1.	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	543268	INE03RS01027
2.	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	DRCSYSTEMS	

Your Company has paid the listing fees to BSE and NSE for the Financial Year 2024-25.

(vii) Market Price Data:

Months	BSE			NSE		
	High (In Rs.)	Low (In Rs.)	Volume (No. of Shares)	High (In Rs.)	Low (In Rs.)	Volume (No. of Shares)
Apr-23	51.00	38.94	34,791	51.25	38.10	2,82,448
May-23	44.36	35.35	72,623	44.00	35.25	1,75,754
Jun-23	45.94	34.70	1,04,214	45.85	36.10	3,92,574
Jul-23	42.35	35.55	58,841	41.90	35.05	3,68,353
Aug-23	44.71	36.45	94,752	45.30	36.75	8,59,214
Sep-23	45.61	37.96	1,49,494	46.45	37.35	13,23,335
Oct-23	44.19	37.00	1,70,198	45.95	37.00	12,30,220
Nov-23	69.50	39.00	9,00,715	68.00	38.35	70,22,851
Dec-23	55.00	38.36	5,65,766	55.50	38.00	71,19,908
Jan-24	60.34	40.63	8,89,763	60.00	40.75	14,66,146
Feb-24	71.15	22.30*	11,30,355	70.10	21.90*	19,18,393
Mar-24	21.86*	16.00*	6,68,537	21.50*	16.00*	15,38,573

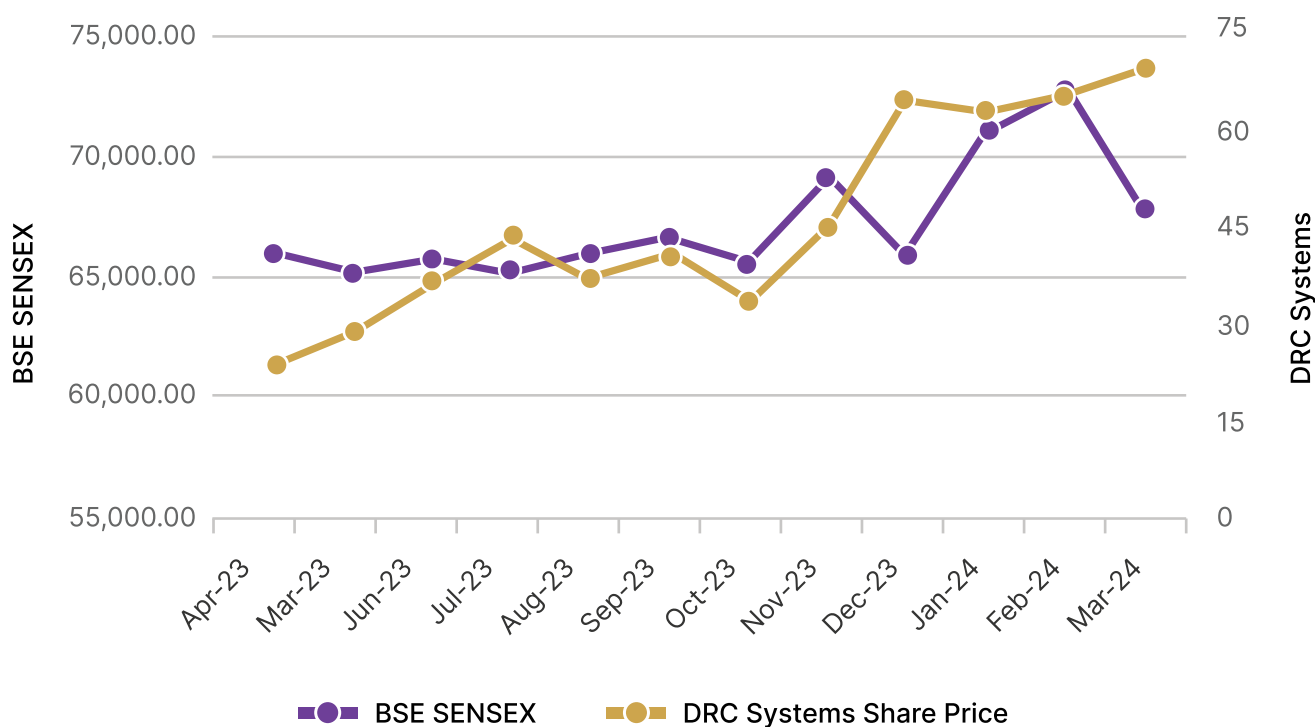
(Source BSE and NSE website)

* Share Price adjustment due to Bonus Shares in the ratio of 2:1 (2 new Bonus Equity Shares for 1 Equity Share held),, were issued and allotted in the month of February, 2024.

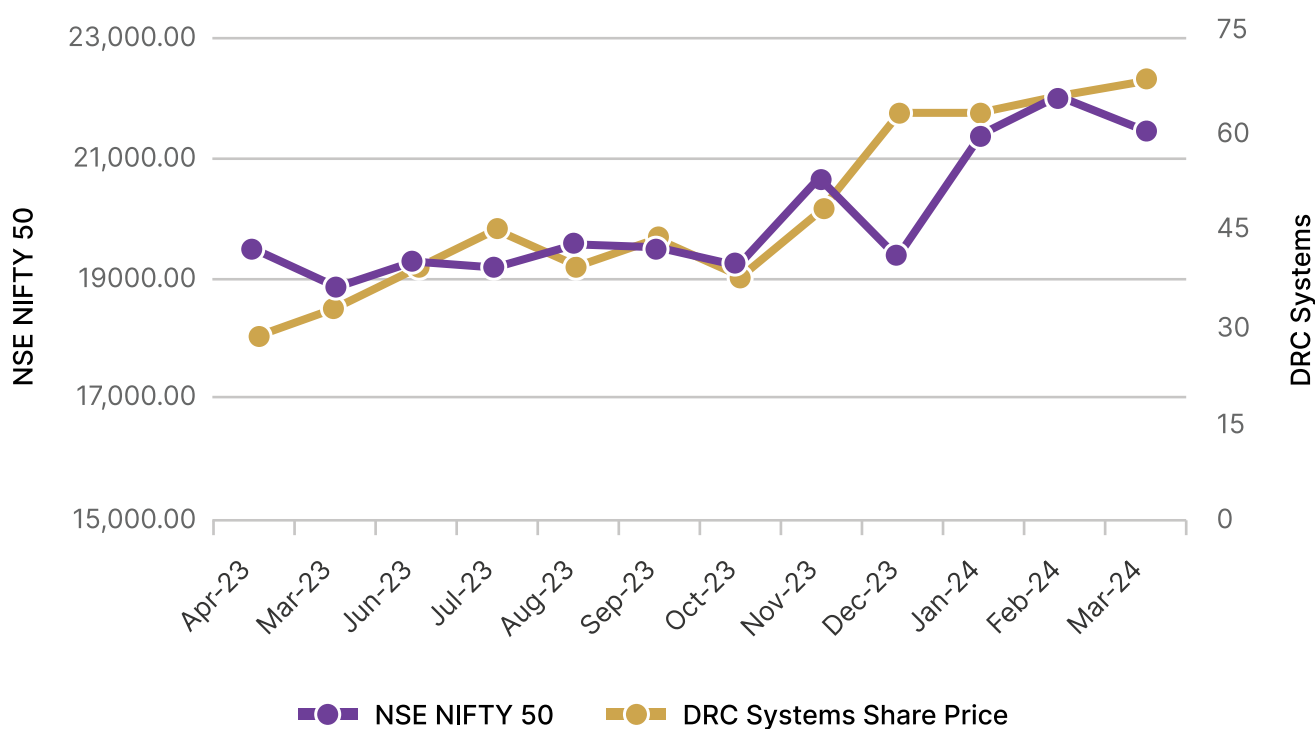
(viii) Performance of the Share price of the Company in comparison to the BSE SENSEX and NSE NIFTY:

The chart below shows the comparison of the Company's share price movement vis-à-vis the movement of the BSE SENSEX and NSE Nifty for the financial year ended March 31, 2024 (based on month end closing):

DRC Systems Share price and BSE Sensex Movement



DRC Systems Share price and NSE NIFTY 50 Movement



Note: The shares traded during the month of February, 2024 and March, 2024 have been indexed to pre bonus share issue quantum.

(ix) In case the securities of the Company are suspended from trading, the reasons thereof:

The Securities of the Company are not suspended from trading on the stock exchanges.

(x) Registrars & Transfer Agent

Registrars and Share Transfer Agents for both Physical and Demat Segment of Equity Shares of the Company:

Link Intime India Private Limited	
C-101, 247 Park L.B.S. Marg, Vikroli (West), Mumbai- 400 083 Tel: +91 22 4918 6270 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	5 th Floor, 506 to 508, Amarnath Business Centre-1 (ABC -1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C.G. Road, Ahmedabad - 380 009 Tel: +91 79 2646 5179/86/87 Fax: + 91 79 2646 5179 E-mail: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

(xi) Share Transfer System

In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized including request received for transmission or transposition of securities. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. To expedite the transfer / transmission of shares held in physical mode the powers to authorise transfers have been delegated to specified officials of the RTA and Company. The details of transfers / transmission approved by the delegates, if any are noted by the Stakeholders Relationship Committee at its next meeting.

During the year under review, the Company had obtained following certificate(s) from Practising Company Secretary and submitted the same to the stock exchanges within stipulated time:

- a) Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for year ended March 31, 2024; and
- b) Certificate regarding Reconciliation of the Share Capital audit of the Company on quarterly basis.

(xii) Distribution of Shareholding as on March 31, 2024:

Shareholding (No. of Shares)	No. of Share Holders		No. of Shares	
	Number	% of Total	Shares	% of Total
Upto 500	14,002	77.94	16,27,524	1.23
501 – 1000	1,663	9.26	11,97,858	0.90
1001 - 2000	971	5.41	14,12,575	1.07
2001 – 3000	485	2.70	13,19,116	0.99
3001 - 4000	135	0.75	4,70,736	0.35
4001 - 5000	112	0.62	5,11,864	0.39
5001 - 10000	255	1.42	17,81,809	1.35
10001 and above	341	1.90	12,41,44,448	93.72
Total	17,964	100.00	13,24,65,930	100.00

(xiii) Categories of Shareholders as on March 31, 2024:

Category	No. of Shares held	% of Shareholding
Promoters & Promoter's group	2,97,23,280	22.44
Foreign Institutional Investors	8,90,905	0.67
Bodies Corporate	5,42,72,616	40.97
Directors and their relatives (excluding independent Directors and nominee Directors)	64,710	0.05
Key Managerial Personnel	270	0.00
Body Corporate - Limited Liability Partnership	1,15,230	0.09
NRI	23,18,057	1.75
Individual	4,43,81,888	33.5
HUF	6,56,261	0.50
Clearing Member	93	0.00
Unclaimed or Suspense or Escrow Account	42,200	0.03
Trust	420	0.00
Total	13,24,65,930	100.00

(xiv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

Your Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2024.

(xv) Employee Stock Options:

During the year under review, your Company has allotted 2,53,250 Equity Shares on December 01, 2023 pursuant to exercise of stock options under Employee Stock Options Scheme. Particulars with regard to Employees' Stock Options are put up on the Company's website i.e. www.drccsystems.com.

(xvi) Dematerialisation of Shares and Liquidity:

Equity shares of the Company can be traded only in electronic mode by all the investors. The Company has entered into an agreement and established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Except 100 Equity Shares, all the Equity Shares have been dematerialised as on March 31, 2024. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE03RS01027.

The Company's shares are frequently traded on the 'BSE Limited' and the 'National Stock Exchange of India Limited'.

The shareholders holding shares in physical form are requested to dematerialize their shares for safeguarding their holdings and managing the same hassle free. Shareholders are accordingly requested to get in touch with any of the Depository Participant(s) registered with SEBI to open a Demat account.

Transactions involving issue of share certificates, namely, issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates etc. should be addressed to RTA of the Company at the address given above and the same are approved by the Stakeholders Relationship Committee.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In terms of the said circular the necessary forms for processing the above requests are available on the website of the Company i.e. www.drcsystems.com. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shareholders may communicate with Link Intime India Private Limited, the Company's Registrar & Share Transfer Agent quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

The prescribed process for dealing with the above requests has been advised to the shareholders holding shares in physical form vide our separate communication on this. The shareholders holding shares in physical form are requested to refer to the same. In terms of the circular, the Registrar and Share Transfer Agents are required to issue a letter of confirmation upon processing of investor requests in lieu of physical share certificates and the same is required to be dematerialized by the shareholder or claimant within 120 days of the issue of letter of confirmation. In case the shareholders or claimant fails to submit a demat request within the aforesaid 120 days, the shares would be credited to a Suspense Escrow Demat Account opened by the Company. The Company shall issue shares from Suspense Escrow Demat Account as and when the shareholder or claimant approaches the Company

The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities in demat form will improve ease, convenience and safety of transactions for investors.

(xvii) Commodity price risk or foreign exchange risk and hedging activities

The Company manages foreign exchange risk and hedges to the extent considered necessary as and when required. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 and any other circular is not required to be given.

(xviii) Plant Locations : Not Applicable



(xix) Address for Correspondence:

For any queries relating to the shares of your Company, correspondence may please be addressed to **Link Intime India Private Limited** at:

5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC -1),
Beside Gala Business Centre,
Near St. Xavier's College Corner,
Off C G Road, Ahmedabad - 380 009
Tel No.: +91 79 2646 5179/86/87
Email: ahmedabad@linkintime.co.in, Website: www.linkintime.co.in

For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company:

DRC Systems India Limited

CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56,
Road – 5C, Zone - 5, GIFT CITY, Gandhinagar,
Taluka & District - Gandhinagar – 382 355
Gujarat, India
Tel: +91 79 6777 2222
E-mail: ir@drcsystems.com Website: www.drcsystems.com

Compliance Officer: Mr. Jainam Shah, Company Secretary

(xx) Credit Ratings

The Company has not issued any debt instruments and does not have any fixed deposit programme or proposal involving mobilization of funds, the Company was not required to obtain credit ratings in respect of the same.

OTHER DISCLOSURES

(i) Related Party Transactions:

Transactions entered into with related parties during F.Y. 2023-24 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The policy on related party transactions has been placed on the Company's website and can be accessed through the following link: <https://www.drcsystems.com/policies>.

(ii) in the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

(iii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years: **Not applicable.**

(iv) Whistle Blower Policy:

The Company has adopted a Whistle Blower Policy and Prevention of Sexual Harassment Policy, has established the necessary vigil mechanism and procedures and it affirms that no personnel has been denied access to the Audit Committee. The said policies are also posted on the website of the Company at <https://www.drcsystems.com/policies>.

The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents. The said policies have been displayed on the website of the Company at <https://www.drcsystems.com/policies>.

(v) Adoption of Mandatory and Non-Mandatory Requirements:

The Company has complied with all mandatory requirements of the Listing Regulations. The Company has adopted following non-mandatory requirements of the Listing Regulations:

- a. The Chairman of the Company is a Non-Executive Independent Director.
- b. The Internal Auditor reports to the Audit Committee.
- c. The auditors' reports on statutory financial statements of the Company are with unmodified opinion.
- d. The quarterly, half-yearly and annual financial results of the Company are published in the newspapers and also posted on the Company's website i.e. www.drcsystems.com. The same are also available on the websites of stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

(vi) Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations: Nil

(vii) Certificate from Practicing Company Secretary:

Mr. Ashish C. Doshi, Partner of SPANJ & Associates, Practicing Company Secretaries, has issued a certificate as required under Listing Regulations, confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed in this section.

(viii) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:

Not Applicable

(ix) Remuneration to Statutory Auditors:

As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the Total Fees paid by the Company and its Subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ entity of which the statutory auditor is a part are as under:

Type of Services	Amount (₹ In Lakhs)
Statutory Audit Fee	1.50
Limited Review Fee	1.50
Certification Charges	0.90
Other Consultancy	0.18
Total	4.08

(x) Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The policy is also available on the website of the Company <https://www.drcsystems.com/policies>.

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2023-24 are as under:

Number of complaints filed during the Financial Year	0
Number of complaints disposed of during the Financial Year	NA
Number of complaints pending as on end of the Financial Year	NA

(xi) The Company has complied with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, 2015.

(xii) Code of Conduct for Prevention of Insider Trading:

The Board has adopted a code for the Prevention of Insider Trading in the securities of the Company. The Code inter alia requires pre-clearance from Designated Persons for dealing in the securities of the Company as per the criteria specified therein and prohibits the purchase or sale of securities of the Company by Designated Persons while in possession of Unpublished Price Sensitive Information in relation to the Company besides during the period when the trading window is closed. This code has been displayed on the Company's website at <https://www.drcsystems.com/policies/>.

Further, Your Company is in compliance with regulation 3(5) & 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

(xiii) Policy and procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information:

The Company has formulated the 'Policy and procedure for inquiry in case of leak / suspected leak of Unpublished Price Sensitive Information' ('UPSI'). The Policy is formulated to maintain ethical standards in dealing with sensitive information of the Company by persons who have access to UPSI. The rationale of the Policy is to strengthen the internal control systems to ensure that the UPSI is not communicated to any person except in accordance with the Insider Trading Regulations. The Policy also provides an investigation procedure in case of leak/suspected leak of UPSI. The Policy is also available on the website of the Company at <https://www.drcsystems.com/policies>.

(xiv) Code of Conduct:

The Company has laid down a Code of Conduct for the Members of Board of Directors and Senior Management Personnel. This code has been displayed on the Company's website at <https://www.drcsystems.com/policies>.

(xv) Reconciliation of Share Capital Audit:

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (collectively Depositories) and held in physical form, with the total issued and listed capital. The Certificate confirming the same is submitted to BSE Limited and the National Stock Exchange of India Limited on a quarterly basis.

(xvi) CEO/CFO Certification:

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the Financial Year 2023-24 signed by Mr. Hiten Barchha, Managing Director and Mr. Janmaya Pandya, Executive Director and Chief Financial Officer was placed before the Board of Directors of the Company at its meeting held on May 21, 2024.

(xvii) Annual Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 and other relevant circular read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the Financial Year.

The Company has submitted the Annual Secretarial Compliance Report to the Stock Exchanges.

(xviii) Unclaimed Sale proceed of Fractional Shares:

The Fractional Shares of the Company resulting out of the Composite Scheme of Arrangement amongst Infibeam Avenues Limited ('Infibeam'), Suvidhaa Infoserve Limited ('Suvidhaa'), DRC Systems India Limited ('DRC' or 'the Company') and NSI Infinium Global Limited ('NSI') and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ('Scheme').

As on the date of this report, the net sales proceeds amounting to Rs. 77,447.02 were unclaimed and the same shall be eligible to be transferred to the Investor Education and Protection fund (IEPF) on January 19, 2029.

Members, who have not yet claimed their amount, are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, i.e. Link Intime India Private Limited. Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2024 on the website of the Company www.drcsystems.com, as also on the website of the Ministry of Corporate Affairs.

(xix) Equity Shares in the Suspense Account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of Equity Shares in the suspense account are as follows:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April, 2023	16	14,100
Shareholders who approached the Company for transfer of shares from suspense account during the year	01	100
Shareholders to whom shares were transferred from the suspense account during the year	01	100
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	00	00
Number of Shares Transferred to Suspense Account during the year	16*	28,200*
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	16	42,200

*During the year, the Company had issue and allot share pursuant to Bonus issue in ratio of 2:1 (2 new Bonus Equity Shares for 1 Equity Share held).

The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The rightful owner can still claim his/ her shares from the suspense account after complying with the procedure laid down in the statute regarding the same.

The Company has transferred the Equity Shares underlying in the DRC Systems India Limited – Unclaimed Securities Suspense Account ("Suspense Account"), to the Shareholders' demat A/C, as per the below mentioned details:

Sr. No.	Date of credit in the Shareholder's Account	No. of Equity Share transferred to Shareholder Account	No. of Equity Shares Underlying in the Suspense Account
1.	April 29, 2024	200	42,000

(xx) Disclosure by listed entity and its Subsidiaries of 'Loans and advances in the nature of loans to firms/Companies in which Directors are interested:

During the F.Y 2023-24, the Company and its subsidiaries had not provided loan or / and advances in nature of loan to any of the Company(ies) in which the Directors are interested.

(xxi) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Name of Company	Date and Place of incorporation	Name of Statutory Auditors	Date of Appointment
DRC Systems EMEA LLC-FZ	September 28, 2021, Dubai	Thakkar Chartered Accountants	July 25, 2023

(xxii) Disclosure of certain types of agreements binding listed entities.

During the F.Y 2023-24, there was no any binding agreement entered into.

(xxiii) **Others:**

A. Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

1. Change in their residential status on return to India for permanent settlement; and
2. Particulars of their Non-Resident Rupee Account, whether repatriable or not, with a bank in India, if not furnished earlier.

B. Updation of shareholders details:

1. Shareholders holding shares in physical form are requested to notify the changes to the Company/ its RTA, promptly by a written request under the signatures of sole/first joint holder; and
2. Any service request shall be entertained by RTA only upon registration of the PAN, Bank Account details and Nomination.
3. Shareholders holding shares in electronic form are requested to send their instructions directly to their DPs.

C. Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date.

D. Nomination of Shares:

Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Form No. SH-13 which can be downloaded from the Company's website i.e. <https://www.drcsystems.com/investor-relations>.

E. Email Id registration:

To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to Company like Dividend credit intimations, Notice of AGM and Annual Report are regularly sent electronically to such shareholders who have registered their email addresses.

DECLARATION

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other provision, all Board Members and Senior Management Personnel have affirmed the compliance with the provisions of the code of conduct for the year ended on March 31, 2024.

Place: Gandhinagar
Date: August 08, 2024

Hiten Barchha
Managing Director
DIN: 05251837

COMPLIANCE CERTIFICATE

To,
The Board of Directors
DRC Systems India Limited
Gandhinagar

We, Hiten Barchha, Managing Director and Janmaya Pandya, Executive Director and Chief Financial Officer of DRC Systems India Limited hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the Financial Year ended on March 31, 2024 and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year 2023-24, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that:
 1. There has not been any significant change in internal control over financial reporting during the year;
 2. There has not been any significant change in accounting policies during the year; and

We are not aware of any instances of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Gandhinagar
Date: May 21, 2024

Hiten Barchha
Managing Director

Janmaya Pandya
Executive Director &
Chief Financial Officer



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
DRC SYSTEMS INDIA LIMITED
CIN: L72900GJ2012PLC070106
Gandhinagar

We have examined the compliance of conditions of Corporate Governance by **DRC SYSTEMS INDIA LIMITED**, for the year ended **31st March, 2024**, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us along with documents & submissions for regulatory compliances provided for our verification and representation made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 08th August, 2024
Place: Ahmedabad

Sign: _____

ASHISH C DOSHI, PARTNER
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No.: F3544
COP No.: 2356
PR Certi No.: 702/2020
UDIN: F003544F000925951

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members

DRC SYSTEMS INDIA LIMITED

CIN: L72900GJ2012PLC070106

Regd. Off: 24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5,
Gift City, Gandhinagar - 382355

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DRC SYSTEMS INDIA LIMITED** having CIN: L72900GJ2012PLC070106 and having registered office at 24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, Gift City, Gandhinagar - 382355 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Hiten Ashwin Barchha	05251837	08/06/2020
2.	Mr. Keyur Jagdishchandra Shah	03111182	05/12/2020
3.	Mr. Sanket Khemuka	06910440	05/12/2020
4.	Mr. Roopkishan Sohanlal Dave	02800417	05/12/2020
5.	Mr. Jigar Pradipchandra Shah	08174430	05/12/2020
6.	Ms. Dipti Abhijeet Chitale	08991506	10/12/2020
7.	Mr. Janmaya Preyas Pandya	09019756	06/01/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 08th August, 2024

Place: Ahmedabad

Sign: _____

**ASHISH C DOSHI, PARTNER
SPANJ & ASSOCIATES**

Company Secretaries

ACS/FCS No.: F3544

COP No.: 2356

PR Certi No.: 702/2020

UDIN: F003544F000926015

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Remuneration details of Directors and KMPs of the Company for the Financial Year 2023-24 is as follows:

Sr. No.	Particulars	Status												
I	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Number of times</th> </tr> <tr> <th style="text-align: center;">Name of Director</th> <th style="text-align: center;">Designation</th> <th style="text-align: center;">Ratio of the remuneration to the median remuneration</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Mr. Hiten Barchha</td> <td style="text-align: center;">Managing Director</td> <td style="text-align: center;">7.78</td> </tr> <tr> <td style="text-align: center;">Mr. Janmaya Pandya</td> <td style="text-align: center;">Executive Director & Chief Financial Officer</td> <td style="text-align: center;">1.86</td> </tr> </tbody> </table>	Number of times			Name of Director	Designation	Ratio of the remuneration to the median remuneration	Mr. Hiten Barchha	Managing Director	7.78	Mr. Janmaya Pandya	Executive Director & Chief Financial Officer	1.86
Number of times														
Name of Director	Designation	Ratio of the remuneration to the median remuneration												
Mr. Hiten Barchha	Managing Director	7.78												
Mr. Janmaya Pandya	Executive Director & Chief Financial Officer	1.86												
II	Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of Director & KMP</th> <th style="text-align: center;">Designation</th> <th style="text-align: center;">% increase in remuneration in the Financial Year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Mr. Hiten Barchha</td> <td style="text-align: center;">Managing Director</td> <td style="text-align: center;">27.5%</td> </tr> <tr> <td style="text-align: center;">Mr. Janmaya Pandya</td> <td style="text-align: center;">Executive Director & Chief Financial Officer</td> <td style="text-align: center;">15.0%</td> </tr> <tr> <td style="text-align: center;">Mr. Jainam Shah</td> <td style="text-align: center;">Company Secretary</td> <td style="text-align: center;">12.5%</td> </tr> </tbody> </table>	Name of Director & KMP	Designation	% increase in remuneration in the Financial Year	Mr. Hiten Barchha	Managing Director	27.5%	Mr. Janmaya Pandya	Executive Director & Chief Financial Officer	15.0%	Mr. Jainam Shah	Company Secretary	12.5%
Name of Director & KMP	Designation	% increase in remuneration in the Financial Year												
Mr. Hiten Barchha	Managing Director	27.5%												
Mr. Janmaya Pandya	Executive Director & Chief Financial Officer	15.0%												
Mr. Jainam Shah	Company Secretary	12.5%												
III	Percentage increase in the median remuneration of employees in the financial year	38.1%												
IV	Number of permanent employees on the rolls of Company	175												
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in salaries of employees other than the managerial personnel in the last Financial Year was 37.8% and an average increase of 23.6% for managerial personnel.												
VI	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.												

Notes:

- The Non-Executive Directors are paid only sitting fees for attending the meetings of the Board and its Committees. The ratio of remuneration and percentage increase in remuneration of these Directors is therefore not considered for the above.
- Shares allotted under ESOP Scheme of the Company have not been included in the above.

Form No. MR-3

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members**DRC SYSTEMS INDIA LIMITED**

CIN: L72900GJ2012PLC070106

Regd. Off: 24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5, GIFT CITY,
Gandhinagar – 382355 (Gujarat)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DRC SYSTEMS INDIA LIMITED** (hereinafter called “the Company”). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2024 has complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Stock Exchange(s) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

vi. I further report that having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof made available to me, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other sector specific laws.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year under review, Special Resolution was passed in Annual General Meeting of the Company held on 14th September, 2023 for Re-Appointment of Mr. Hiten Barchha (DIN:05251837) as Managing Director of the Company for a further period of 3 (three) years with effect from 9th November, 2023 and Re-Appointment of Mr. Janmaya Pandya (DIN:09019756) as Executive Director of the Company for a period of three years with effect from 6th January, 2024.

Adequate notices were given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting members' views were captured and recorded as part of the minutes, wherever required.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable sector specific laws, rules, regulations and guidelines.

Place: Ahmedabad
Date: 8th August, 2024

I further report that during the audit period of the Company, there were following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- During the year under review, the Company had acquired 100% stake in DRC Systems USA LLC. Post acquisition, DRC Systems USA LLC became a Wholly Owned Subsidiary of the Company;
- During the year under review, Company made Investment in Nighthack Technology Private Limited ("Nighthack"). Post investment, Nighthack became an Associate Company;
- During the year under review, Nomination and Remuneration Committee of the Company in its meeting held on 01st December, 2023, had allotted 2,53,250 Equity Shares to the Employees under ESOP Scheme.
- During the year under review, Ordinary Resolution was passed in Extra Ordinary General Meeting of the Company held on 15th February, 2024 for Increase in the Authorized Share Capital of the Company from Rs. 6,00,00,000/- divided into 6,00,00,000 Equity Shares of Face Value of Re. 1/- each to Rs. 15,00,00,000/- divided into 15,00,00,000 Equity shares of Face Value of Re. 1/- each by addition of 9,00,00,000 Equity Shares of Face Value of Re. 1/- each;
- During the year under review, Ordinary Resolution was passed in Extra Ordinary General Meeting of the Company held on 15th February, 2024 for issue of Bonus Equity Shares of Face Value of Re. 1/- each, credited as fully paid up Equity Shares to eligible Members of the Company in the proportion of 2 (Two) new fully paid up Equity Shares of Face Value of Re. 1/- each for every 1 (One) existing fully paid-up Equity Share of Face Value of Re. 1/- each held by the Members of the Company;
- During the year under review, Securities allotment Committee of the Company in its meeting held on 29th February, 2024, had allotted 8,83,10,620 Equity Shares by way of Bonus shares to the members whose name appear in the Register of Member as on 27th February, 2024 being record date.

Jitendra Leeya
Practicing Company Secretary
ACS/FCS No.:A31232
C P No. : 14503
P R No. : 2089/2022
UDIN: A031232F000926148

Note : This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To,
The Members
DRC SYSTEMS INDIA LIMITED
CIN: L72900GJ2012PLC070106
Regd. Off: 24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5, GIFT CITY,
Gandhinagar – 382355 (Gujarat)

Sir/Ma'am,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2024

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: 8th August, 2024

Jitendra Leeya
Practicing Company Secretary
ACS/FCS No.:A31232
C P No. : 14503
P R No. : 2089/2022
UDIN: A031232F000926148



CORPORATE SOCIAL RESPONSIBILITY

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy intends to focus on certain long term projects which shall include initiatives, inter alia, in the fields of education, skill development, health care, sanitation, safe drinking water, environment sustainability, women empowerment and rural development which will enable creation of a sustainable livelihood in society and better human capital culture.

The CSR policy of the Company covers the proposed CSR activities in line with Section 135 of the Companies Act, 2013 and Schedule VII thereto. The CSR Policy of the Company may be accessed on the Company's website at www.drcsystems.com.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Jigar Shah	Chairman	-	-
2	Mr. Hiten Barchha	Member	-	-
3	Mr. Janmaya Pandya	Member and CSR Officer	-	-

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The composition of the CSR committee is available on our website, at https://www.drcsystems.com/wp-content/uploads/2024/04/Composition-of-Committee_DRC-Systems.pdf.

The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at <https://www.drcsystems.com/wp-content/uploads/2024/04/CSR-Policy.pdf>.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135. **Rs. 75.19 Lakhs**
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135. **Rs. 1.50 Lakhs**
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. **NIL**
 (d) Amount required to be set-off for the financial year, if any. **NIL**
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **Rs. 1.50 Lakhs**

6. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

- (a) Amount spent against other than ongoing project for the financial year **Rs. 1.51 Lakhs**
 (b) Amount spent in Administrative Overheads. **NIL**
 (c) Amount spent on Impact Assessment, if applicable. **NIL**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. **Rs. 1.51 Lakhs**
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 1.51 Lakhs	NIL	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 1.50 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 1.51 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 0.01 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Rs. 0.01 Lakhs

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. : NA

Hiten Barchha
Managing Director
DIN : 05251837

Jigar Shah
Chairman, CSR Committee
DIN : 08174430

INDEPENDENT AUDITOR'S REPORT

To the Members of DRC SYSTEMS INDIA LIMITED

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of **DRC Systems India Limited ("the Company")**, which comprise the standalone Balance Sheet as at March 31, 2024, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of Cash Flow, the standalone statement of changes in equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements* section of our report. We are independent of the company in accordance with the code of Ethics issued by the institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated Ind AS financial statements, standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managements and the Board of Director's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that

give a true and fair view of the state of affairs, profit/loss and other comprehensive income/expense, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternate but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of Cash Flow dealt with by this Report are in agreement with the books of account;

- d. in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rule issued thereunder;
- e. On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone Ind AS financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
3. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Place: Ahmedabad
Date: 21/05/2024
UDIN: 24046922BKCWSO5461

For Rajpara Associates
Chartered Accountants
FRN 113428W

Chandramaulin J. Rajpara
Partner
M. No. 046922



To the independent auditors' report (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

- i. a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment's;
 - B. The Company has maintained proper records showing full particulars of intangible assets;
 - b. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment's by which all property, plant and equipment are verified in phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - c. The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, clause 3 (i) (c) of the Order is not applicable to the Company.
 - d. According to information and explanations given to us and on the basis of our examination of records of the company, the Company has not revalued its property, plant and equipment's (including Right of Use assets) or intangible assets or both during the year.
 - e. According to information and explanations given to us and on the basis of our examination of records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- ii. a. The company is Service Company, primarily rendering information technology solution services. Accordingly, it does not hold any physical inventories. Accordingly, clauses 3 (ii) (a) of the order is not applicable to the Company.
 - b. According to information and explanations given to us and on the basis of our examination of records of the company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, clauses 3 (ii) (b) of the order is not applicable to the Company.
 - iii. According to information and explanations given to us and on the basis of our examination of records of the company, the company has made investments during the year under audit. The Company has not provided security, guarantee or granted loan or granted advances in nature of loan, secured or unsecured to Companies, partnerships or any other parties during the year.
 - a. A. Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted any loans or advances and guarantees or securities to subsidiaries, joint ventures and associates.
 - B. Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted any loans or advances and guarantees or securities to parties other than subsidiaries, joint ventures and associates.
 - b. According to information and explanations given to us and on the basis of our examination of records of the company, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the company.

- c. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans or advances in nature of loans. Accordingly, Clause 3 (iii) (c) of the Order is not applicable.
- d. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans or advances in nature of loans. Accordingly, Clause 3 (iii) (d) of the Order is not applicable.
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans or advances in the nature of loans given to same parties.
- f. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from public. Accordingly, clause 3 (v) of the Order is not applicable.
- vi. In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, clause 3 (vi) of the Order is not applicable to the Company.
- vii. a. According to information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Goods and Services tax, provident fund, income tax, duty of customs, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a delay in respect of remittance of Professional Tax dues.
- There were no undisputed amounts payable in respect of Goods and Services tax, Provident fund, Income Tax, Duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- b. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed statutory dues for Goods and Services Tax, provident fund, employee's state insurance, income tax, duty of customs, Duty of excise, cess and other statutory dues applicable to it.
- viii. According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in books of account, in the assessment under the Income Tax Act, 1961 (43 of 1961) as income during the year.
- ix. a. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
- c. According to information and explanations given to us and on the basis of our examination of the records of the Company, there were no term loans raised during the year.
- d. According to information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds have been raised on short term basis by the Company. Accordingly, clause 3 (ix) (d) of the Order is not applicable to the Company.



- e. On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and Associate.
- f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and Associate.
- x. a. The Company has not raised moneys by way of public offer or further public offer (including debt instruments). Accordingly, Clause 3 (x) (a) of the Order is not applicable to the Company.
- b. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (x) (b) of the Order is not applicable to the Company.
- xi. a. According to information and explanations given to us and on the basis of our examination of records of the Company, we report that no fraud by the Company or on the company has been noticed or reported during the course of Audit.
- b. According to information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. According to information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, clause 3 (xii) of the order is not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. a. Based on information and examination provided to us and our audit procedures, in our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under Audit.
- xv. In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (a) of the Order is not applicable to the Company.
- b. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (b) of the Order is not applicable to the Company.
- c. The Company is not a Core Investment Company (CIC) as defined in regulations made by Reserve Bank of India. Accordingly, clause 3 (xvi) (c) of the Order is not applicable to the Company.
- d. According to information and explanations given to us, the Group does not have any CIC. Accordingly, clause 3 (xvi) (d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xvii. There has been no resignation of the statutory auditors during the year and accordingly, clause 3 (xviii) of the Order is not applicable to the Company.
- xvii. There has been no resignation of the statutory auditors during the year and accordingly, clause 3 (xviii) of the Order is not applicable to the Company.

- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone IND AS financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

Place: Ahmedabad
Date: 21/05/2024
UDIN: 24046922BKCWSO5461

For Rajpara Associates
Chartered Accountants
FRN 113428W

Chandramaulin J. Rajpara
Partner
M. No. 046922



to the Independent Auditor's report on the standalone Ind AS financial statements of DRC Systems India Limited for the year ended on March 31, 2024

Report on the Internal Financial Controls with reference to the standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 2 (A) (f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to standalone Ind AS financial statements of DRC Systems India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that.

Managements and Board of Director's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone Ind AS financial statements based on the internal control with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Ind AS financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone Ind AS

financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone Ind AS financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Ahmedabad
Date: 21/05/2024
UDIN: 24046922BKCWSO5461

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone Ind AS financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Chandramaulin J. Rajpara
Partner
M. No. 046922



Balance Sheet

as at March 31, 2024

Particulars	Notes	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	35.09	21.73
Right of use assets	3	70.07	57.42
Other intangible assets	4	711.62	383.69
Financial assets	5		
(i) Investments		2,101.36	2,000.26
(ii) Other financial assets		12.28	17.82
Non-current tax assets (net)	7	13.84	63.06
Total non-current assets		2,944.26	2,543.97
II. Current assets			
Financial assets	5		
(i) Trade receivables		849.26	424.96
(ii) Cash and cash equivalents		144.59	206.91
(iii) Other financial assets		217.72	456.46
Other current assets	6	101.85	13.00
Total current assets		1,313.42	1,101.32
Total Assets		4,257.68	3,645.29
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,324.66	439.02
Other equity	9	2,248.90	2,731.85
Total equity		3,573.56	3,170.87
LIABILITIES			
I. Non-current liabilities			
Financial liabilities	10		
(i) Lease liabilities		60.59	51.52
Provisions	11	64.13	50.44
Deferred tax liabilities (net)	22	62.55	58.46
Total non-current liabilities		187.27	160.42

Particulars	Notes	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
II. Current liabilities			
Financial liabilities	10		
(i) Lease liabilities		14.48	8.95
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		3.24	15.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7.12	82.39
(iii) Other financial liabilities		135.91	122.32
Provisions	11	24.35	23.32
Other current liabilities	12	311.74	62.01
Total current liabilities		496.85	314.00
Total equity and liabilities			
		4,257.68	3,645.29
Summary of significant accounting policies	1-2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For, Rajpara Associates

Chartered Accountants

ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of

DRC Systems India Limited

CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara

Partner

Membership No. 046922

Place: Ahmedabad

Date: May 21, 2024

Hiten Barchha

Managing Director

DIN: 05251837

Place: Gandhinagar

Date: May 21, 2024

Keyur Shah

Chairman

DIN: 03111182

Place: Gandhinagar

Date: May 21, 2024

Janmaya Pandya

Chief Financial Officer

Place: Gandhinagar

Date: May 21, 2024

Jainam Shah

Company Secretary

Place: Gandhinagar

Date: May 21, 2024

Statement of Profit And Loss

for the year ended March 31, 2024

Particulars	Notes	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Income			
Revenue from operations	13	3,587.96	2,181.78
Other income	14	10.03	422.75
Total income (I)		3,597.99	2,604.53
Expenses			
Contracting expenses		1,126.53	476.42
Employee benefit expenses	15	1,671.59	1,099.54
Finance costs	16	6.00	62.07
Depreciation and amortisation expenses	17	243.37	118.49
Other expenses	18	245.16	281.88
Total expenses (II)		3,292.65	2,038.40
Profit before exceptional item and tax (III) = (I - II)		305.34	566.12
Exceptional items (IV)		-	-
Profit before tax (V) = (III-IV)		305.34	566.12
Tax expense			
Current tax	22	70.64	46.92
(Excess)/short provision related to earlier years		(3.64)	10.37
Deferred tax		4.09	88.82
Total tax expense (VI)		71.09	146.11
Profit for the year (VII) = (V-VI)		234.25	420.01
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1.24)	(6.70)
Total other comprehensive income for the year (VIII)		(1.24)	(6.70)
Total Comprehensive Income for the year comprising Profit and Other comprehensive Income for the year (IX) = (VII+VIII)		233.01	413.32

Particulars	Notes	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Earning per share [nominal value per share Re.1/- (March 31, 2023: Re.1/-)]			
Basic	25	0.18	0.34
Diluted	25	0.17	0.34
Summary of significant accounting policies	1-2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of
DRC Systems India Limited
CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: May 21, 2024

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: May 21, 2024

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: May 21, 2024

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: May 21, 2024

Statement of changes in equity

for the year ended March 31, 2024

A. Equity share capital

(₹ in Lakhs)

As at March 31, 2023	Changes in Equity Share capital due to prior period errors	Restated balance as at March 31,2023	Changes in Equity Share capital during the year	As at March 31, 2024
439.02	-	439.02	885.64	1,324.66

As at March 31, 2022	Changes in Equity Share capital due to prior period errors	Restated balance as at March 31,2022	Changes in Equity Share capital during the year	As at March 31, 2023
386.54	-	386.54	52.49	439.02

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Total other equity
	Retained Earnings	Employees Stock Options Outstanding	Securities premium	Capital reserve	General reserve	
	Note 9	Note 9	Note 9	Note 9	Note 9	
Balance as at March 31, 2022	43.56	38.43	-	209.61	-	291.60
Employee compensation expense for the year (refer note 26)	-	76.93	-	-	-	76.93
Add/ (Less): Transfer to securities premium on exercise of options	-	(63.16)	63.16	-	-	-
Add/ (Less): Reversal due to lapse of options	-	(1.96)	-	-	1.96	-
Add: on issue of preferential shares	-	-	1,950.00	-	-	1,950.00
Profit /(Loss) for the year	420.01	-	-	-	-	420.01
Re-measurement gains / (losses) on defined benefit plans	(6.70)	-	-	-	-	(6.70)
Balance as at March 31, 2023	456.88	50.24	2,013.16	209.61	1.96	2,731.85

Particulars	Reserves and Surplus					Total other equity
	Retained Earnings	Employees Stock Options Outstanding	Securities premium	Capital reserve	General reserve	
	Note 9	Note 9	Note 9	Note 9	Note 9	
Balance as at March 31, 2023	456.88	50.24	2,013.16	209.61	1.96	2,731.85
Employee compensation expense for the year (refer note 26)	-	167.14	-	-	-	167.14
Add/ (Less): Transfer to securities premium on exercise of options	-	(67.46)	67.46	-	-	-
Add/ (Less): Reversal due to lapse of options	-	(1.07)	-	-	1.07	-
Issue of bonus shares	-	-	(883.11)	-	-	(883.11)
Profit /(Loss) for the year	234.25	-	-	-	-	234.25
Re-measurement gains / (losses) on defined benefit plans	(1.24)	-	-	-	-	(1.24)
Balance as at March 31, 2024	689.89	148.86	1,197.51	209.61	3.04	2,248.90

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For, Rajpara Associates

Chartered Accountants

ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of

DRC Systems India Limited

CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara

Partner

Membership No. 046922

Place: Ahmedabad

Date: May 21, 2024

Hiten Barchha

Managing Director

DIN: 05251837

Place: Gandhinagar

Date: May 21, 2024

Keyur Shah

Chairman

DIN: 03111182

Place: Gandhinagar

Date: May 21, 2024

Janmaya Pandya

Chief Financial Officer

Place: Gandhinagar

Date: May 21, 2024

Jainam Shah

Company Secretary

Place: Gandhinagar

Date: May 21, 2024

Statement of Cash Flows

for the year ended March 31, 2024

Particulars	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
A. Cash flows from operating activities		
Profit before tax	305.34	566.12
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	243.37	118.49
Employee stock option expense (net)	167.14	56.68
Finance cost	6.00	62.07
Bad debts written off	-	8.12
Balances Written off	0.16	-
Unrealized foreign currency exchange loss / (gain) net	(3.67)	(1.00)
No longer payable	-	(0.01)
Profit on sale of investment	-	(0.03)
Interest income on bank deposits	(0.26)	(0.26)
Interest income - Others	(4.04)	(0.81)
Fair value gain on investment	(1.02)	(400.17)
	407.68	(156.93)
Operating profit before working capital changes	713.01	409.20
Adjustments for:		
Changes in trade & other payables	(87.04)	97.40
Changes in trade receivables	(420.80)	166.27
Changes in other current & non current assets	151.72	(394.59)
Changes in other current and non current liabilities and provisions	276.81	17.79
Net changes in working capital	(79.31)	(113.13)
Cash generated from operations	633.71	296.07
Direct taxes paid (net of income tax refund)	(17.77)	(105.09)
Net cash (used in) from operating activities (A)	615.93	190.98
B. Cash Flow from investing activities		
Payment for acquisition of property, plant and equipment and intangible asset (including intangible under development and capital advances)	(570.58)	(291.05)
Investment in equity instruments (net)	(100.08)	(160.19)
Fixed deposits with bank (net)	3.70	(1.57)
Interest received	4.30	1.07
Net cash (used in) from investing activities (B)	(662.66)	(451.74)

C. Cash flow from financing activities		
Repayment of Lease liabilities	(12.12)	(8.26)
Proceeds from preferential issue of shares	-	2,000.00
Proceeds from exercise of employee stock options (ESOP)	2.53	2.49
Proceeds / (Repayment) of borrowings	-	(1,515.00)
Finance cost	(6.00)	(62.07)
Net cash (used in) from financing activities (C)	(15.59)	417.15
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(62.32)	156.39
Cash & cash equivalents at the beginning of the year	206.91	50.52
Cash & cash equivalents at the end of the year	144.59	206.91

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (IND AS) - 7 "Statement of Cash Flows" issued by the Institute of Chartered Accountants of India.

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Cash and cash equivalents comprise of: (Note 5c)		
Balances with banks		
Current accounts	143.37	205.69
Cash on hand	1.22	1.22
Cash and cash equivalents	144.59	206.91

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For, Rajpara Associates

Chartered Accountants

ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of

DRC Systems India Limited

CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara

Partner

Membership No. 046922

Place: Ahmedabad

Date: May 21, 2024

Hiten Barchha

Managing Director

DIN: 05251837

Place: Gandhinagar

Date: May 21, 2024

Keyur Shah

Chairman

DIN: 03111182

Place: Gandhinagar

Date: May 21, 2024

Janmaya Pandya

Chief Financial Officer

Place: Gandhinagar

Date: May 21, 2024

Jainam Shah

Company Secretary

Place: Gandhinagar

Date: May 21, 2024

Notes

1. Company Overview , Statement of compliance and basis of preparation

a. Corporate Information

DRC Systems India Limited ('the Company') was incorporated on April 27, 2012 under the Companies Act, 1956. The Company is a service company and its principal activities comprise of IT and IT enabled services including web and mobile app development, maintenance, testing and related ancillary services.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited in India. The registered office of the company is located at 24th Floor, GIFT Two Building, Block No. 56, Road – 5C, Zone – 5, GIFT CITY, Gandhinagar, Taluka & District – Gandhinagar – 382 355 Gujarat, India

The financial statements were authorised for issue in accordance with a resolution of the directors on May 21, 2024.

b. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

c. Basis of preparation of financial statements

These standalone financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and noncurrent as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

The financial statements are presented in Indian Rupee ('INR') which is also the Company's functional currency and all values are rounded to the nearest millions, except when otherwise indicated.

2. Critical Accounting estimates and Summary of Significant Accounting Policies

a. Critical Accounting estimates

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2) Defined benefit plans

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Discount rate has been determined by reference to market yields on the government bonds as at the balance sheet date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 23.

3) Employee Stock option scheme

The Company initially measures the cost of equity settled transactions with employees using a black schole model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 26.

4) Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5) Intangible asset including intangible asset under development

Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its

intended use. Research and maintenance costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 2(b) 5 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 4.

6) Property, plant and equipment

Refer Note 2(b) 4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3.

7) Revenue recognition

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those services.

8) Investments

Investment in subsidiaries and associates is carried at cost in the standalone financial statements.

b. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the company in preparing its financial statements:

1) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



Notes

To the financial statements for the year ended March 31, 2024 (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2) Foreign currencies

The company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

3) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, as described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

4) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All repair and maintenance costs are recognised in statement of profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as follows:

- Plant and machinery - 5 to 10 years
- Furniture & fixtures - 10 years
- Office equipment's - 3 to 5 years
- Computer, servers & network - 3 to 6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

5) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use.

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



Notes

To the financial statements for the year ended March 31, 2024 (continued)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Period of Amortisation of Intangibles is calculated as follows:

- Computer software generated/acquired—5 years

Intangible assets under development

Expenditure incurred on acquisition /construction of intangible assets which are not ready for their intended use at balance sheet date are disclosed under Intangible assets under development. During the period of development, the asset is tested for impairment annually.

6) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily comprise of lease for Vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

• Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of- use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e. 5-7 years) If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of use assets are also subject to impairment.

• Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term,

Notes

To the financial statements for the year ended March 31, 2024 (continued)

a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in other current and non-current financial liabilities.

- **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

7) Impairment of non-financial assets

Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

8) Borrowing cost

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

9) Revenue Recognition

Rendering of services

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue from Web Services is recognised upfront at the point in time when the service is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customizes, this service is recognized proportionally over the period.

Revenue is measured based on the consideration specified in a contract with the customer and excludes amounts collected on behalf of customers. The Company presents revenue net of discounts and collection charges. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries are recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Excess billing over revenue ("contract liability") is recognised when there is billing in excess of revenues.



Notes

To the financial statements for the year ended March 31, 2024 (continued)

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by offering and geography.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

Interest income

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

10) Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(I) Initial recognition and measurement.

All financial assets, except investment in subsidiaries and joint ventures, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

(II) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at fair value through statement of profit and loss (FVTPL)

Debt instruments at amortised cost:

A debt instrument is measured at amortised cost if both the following conditions are met:

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

Notes

To the financial statements for the year ended March 31, 2024 (continued)

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

Debt instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at fair value through other comprehensive income if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries and associates:

Investment in subsidiaries and associates is carried at cost in the standalone financial statements.



Notes

To the financial statements for the year ended March 31, 2024 (continued)

(III) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(IV) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b) Financial Liabilities

(I) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

(II) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

- **Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.

(III) Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Offsetting of financial instruments

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

11) Cash and cash equivalent

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

12) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Notes

To the financial statements for the year ended March 31, 2024 (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

13) Retirement and other employee benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

b) Post-Employment Benefits

1) Defined benefit plan

Gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet reduced by the fair value of any plan assets. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company has not invested in any fund for meeting liability.

14) Employee stock option schemes

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised

for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

15) Earnings per share

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

16) Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.



Notes

To the financial statements for the year ended March 31, 2024 (continued)

17) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Provision in respect of contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

18) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 3 : Property, plant and equipment

(₹ in Lakhs)

Particulars	Plant & machinery	Furniture & fixture	Office equipment	Computer, server & network	Total	Right of use assets
Gross Block - Cost						
As at March 31, 2022	78.89	25.73	1.34	116.95	222.92	71.99
Additions	-	1.84	1.43	12.64	15.91	-
Deletions	-	-	-	-	-	-
As at March 31, 2023	78.89	27.57	2.77	129.60	238.82	71.99
Additions	-	-	1.07	27.90	28.97	26.72
Deletions	-	-	-	-	-	-
As at March 31, 2024	78.89	27.57	3.84	157.50	267.79	98.71
Depreciation						
As at March 31, 2022	77.84	25.36	1.00	101.52	205.72	4.28
Depreciation for the year	0.88	0.39	0.01	10.09	11.38	10.28
Deductions	-	-	-	-	-	-
As at March 31, 2023	78.71	25.75	1.01	111.62	217.10	14.57
Depreciation for the year	-	0.78	0.81	14.03	15.61	14.07
Deductions	-	-	-	-	-	-
As at March 31, 2024	78.71	26.53	1.82	125.64	232.71	28.64
Net Block						
As at March 31, 2024	0.17	1.04	2.02	31.85	35.09	70.07
As at March 31, 2023	0.17	1.82	1.76	17.98	21.73	57.42

Notes: Right of use assets represents vehicles taken on lease for employees, are accounted for in accordance with principal of Ind AS 116 "Leases" (refer note 28)

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 4 : Other intangible assets

(₹ in Lakhs)

Particulars	Computer Software	IT Platform	Intangible assets under development	Total
Cost				
As at March 31, 2022	45.00	1,713.75	-	1,758.75
Additions*	-	295.40	295.40	590.79
Capitalised			(295.40)	(295.40)
As at March 31, 2023	45.00	2,009.15	-	2,054.15
Additions*	-	541.61	541.61	1,083.22
Capitalised			(541.61)	(541.61)
As at March 31, 2024	45.00	2,550.76	-	2,595.76
Amortisation				
As at March 31, 2022	45.00	1,528.63	-	1,573.63
Amortisation for the Year	-	96.83	-	96.83
As at March 31, 2023	45.00	1,625.46	-	1,670.46
Amortisation for the Year	-	213.68	-	213.68
As at March 31, 2024	45.00	1,839.14	-	1,884.14
Net Block				
As at March 31, 2024	-	711.62	-	711.62
As at March 31, 2023	-	383.69	-	383.69

*Addition to the intangible assets under development includes ESOP cost and salary cost capitalised amounting to NIL (March 31, 2023: Rs. 275.14 lakhs) and NIL (March 31, 2023: 20.25 Lakhs) respectively.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 5 : Financial assets

5 (a) Investments

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
NON CURRENT		
A. Investment stated at cost In Equity Instruments		
a. In subsidiaries (Unquoted)		
DRC SYSTEMS EMEA L.L.C-FZ 100 (March 31, 2023 : 100) equity shares of AED 1,000 each	22.71	22.71
DRC Systems USA LLC 100 (March 31, 2023 : NIL) equity shares of USD 1 each	0.08	-
	22.79	22.71
b. In associates (Unquoted)		
Nighthack Technology Private Limited 820 (March 31, 2023 : Nil) equity shares of Rs. 100 each	100.00	-
	100.00	-
B. Investment stated at Fair Value through Profit & Loss In Equity Instruments		
a. In others (Unquoted)		
GESIA IT Association 10 (March 31, 2023 : 10) equity shares of Rs. 10 each	0.00	0.00
	0.00	0.00
AutoDAP B.V. 41,400 (March 31, 2023 : 41,400) equity shares of EUR 1 each	1,439.87	1,439.87
	1,439.87	1,439.87
Nextenders India Pvt Ltd 1,36,270 (March 31, 2023 : 1,36,270) equity shares of Rs. 10 each	137.51	137.51
Add / (Less): Fair value changes	401.19	400.17
	538.70	537.68
Total Investments	2,101.36	2,000.26
Aggregate amount of unquoted investments	2,101.36	2,000.26
Aggregate amount of impairment in value of investments	-	-

Notes

To the financial statements for the year ended March 31, 2024 (continued)

5 (b) Trade receivables

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Trade receivables		
Unsecured, considered good	849.26	424.96
Total trade receivables	849.26	424.96

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

(ii) For amount dues and terms and conditions relating to related party transactions, refer note 24

(iii) For explanation on Company's credit risk management process, refer note 29

(iv) For trade receivables ageing schedule, refer note 35

5 (c) Cash and cash equivalents

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Balance with bank		
Current accounts	143.37	205.69
Cash on hand	1.22	1.22
Total cash and cash equivalents	144.59	206.91

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Balance with bank		
Current accounts	143.37	205.69
Cash on hand	1.22	1.22
Total cash and cash equivalents	144.59	206.91

Notes

To the financial statements for the year ended March 31, 2024 (continued)

5 (d) Other financial assets

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Non-current		
Security deposit	10.89	12.70
Bank deposits with original maturity of more than 12 months (including accrued interest)	1.40	5.12
	12.28	17.82
Current		
Security deposits	-	407.33
Accrued revenue	217.09	48.56
Bank deposits maturing within 12 months from reporting date	0.44	0.42
Interest accrued but not due on bank deposits	0.05	-
Interest accrued but not due on other deposits	0.14	0.14
	217.72	456.46
Total other financial assets	230.00	474.28

Fixed deposits of Rs. 1.75 Lakhs (March 31, 2023 : Rs. 5.03 Lakhs) are under lien from banks.

Financial assets by category

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortised Cost
March 31, 2024				
Investments	122.79	-	1,978.57	-
Trade receivables	-	-	-	849.26
Cash & cash equivalents	-	-	-	144.59
Other financial assets	-	-	-	230.00
Total financial assets	122.79	-	1,978.57	1,223.86

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortised Cost
March 31, 2023				
Investments	22.71	-	1,977.55	-
Trade receivables	-	-	-	424.96
Cash & cash equivalents	-	-	-	206.91
Other financial assets	-	-	-	474.28
Total financial assets	22.71	-	1,977.55	1,106.14

For financial instruments risk management objectives and policies, refer Note 29

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment refer note 29

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 6 : Other current assets

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Current		
Advance to employee	-	3.60
Balance with government authorities	88.35	3.88
Advances to suppliers	2.91	1.45
Prepaid expenses	10.59	3.89
Other current Asset	-	0.18
Total	101.85	13.00

Note 7 : Non-current tax assets (net)

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Tax paid in advance (net of provision)	13.84	63.06
Total	13.84	63.06

Note 8 : Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Authorised share capital				
Equity shares of Re.1 each	15,00,00,000	1,500.00	6,00,00,000	600.00
Issued and subscribed share capital				
Equity shares of Re.1 each	13,24,65,930	1,324.66	4,39,02,060	439.02
Subscribed and fully paid up				
Equity shares of Re.1 each	13,24,65,930	1,324.66	4,39,02,060	439.02
Total	13,24,65,930	1,324.66	4,39,02,060	439.02

Notes

To the financial statements for the year ended March 31, 2024 (continued)

8.1. Terms/Rights attached to the equity shares

The Company has equity shares having a par value of Re.1 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 26 regarding employee share based payments

8.2. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	4,39,02,060	439.02	3,86,53,560	386.54
Addition/ redemption :	-	-	-	-
Shares allotted pursuant to exercise of Employee Stock Option Plan	2,53,250	2.53	2,48,500	2.49
Shares issued under preferential issue	-	-	50,00,000	50.00
Shares issued as bonus to the existing shareholders	8,83,10,620	883.11	-	-
Outstanding at the end of the year	13,24,65,930	1,324.66	4,39,02,060	439.02

8.3. Number of shares held by each shareholder holding more than 5% Shares in the company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Shivben Popatbhai Sutariya	1,35,00,000	10.19%	45,00,000	10.25%
Infibeam Avenues Limited	1,23,92,460	9.36%	41,30,820	9.41%
Yogesh Sutariya	1,35,20,880	10.21%	45,06,960	10.27%
Gandhinagar Leasing And Finance	-	0.00%	38,65,356	8.80%
Avenues Infinite Private Limited	1,04,36,472	7.88%	34,78,824	7.92%
Somani Multibiz Limited	1,09,00,275	8.23%	50,00,000	11.39%
Pirimid Technologies Private Limited	1,33,70,460	10.09%	-	0.00%

Notes: As per records of the Company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

8.4 Number of shares held by Promoters at the end of the year

Name of the promoter	As at March 31, 2024		% Change during the year
	No. of shares	% of shareholding	
Yogeshkumar Popatbhai Sutariya	1,35,20,880	10.21%	-0.06%
Shivben Popatlal Sutariya	1,35,00,000	10.19%	-0.06%
Hiten Ashwin Barchha	26,96,730	2.04%	-0.01%
Avni Hiten Barchha	5,010	0.00%	0.00%
Diyalbhai Italiya #	660	0.00%	0.00%

Name of the promoter	As at March 31, 2023		% Change during the year
	No. of shares	% of shareholding	
Yogeshkumar Popatbhai Sutariya	4,506,960	10.27%	-1.39%
Shivben Popatlal Sutariya	4,500,000	10.25%	-1.39%
Hiten Ashwin Barchha	898,910	2.05%	-0.28%
Avni Hiten Barchha	1,670	0.00%	0.00%
Diyalbhai Italiya #	220	0.00%	0.00%

- Promoter Group

8.5. Shares reserved for issue under options

For information relating to DRC Systems India Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period please refer to note 26

8.6. Aggregate number of equity shares issued as bonus shares during five years prior to March 31, 2024.

Year	Number of Shares
2023-24	8,83,10,620
2019-20	90,00,000

88,310,620 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising securities premium.

90,00,000 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising retained earnings.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

8.7. Aggregate number of equity shares issued for a consideration other than cash during five years prior to March 31, 2024.

Year	Number of Shares
2023-24 [^]	8,83,10,620
2020-21 [*]	1,61,53,560
2019-20 [#]	90,00,000

[^] 88,310,620 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising securities premium.

^{*} 16,153,560 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up vide Scheme of Arrangement.

[#] 90,00,000 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising retained earnings.

Note 9 : Other equity

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
General reserve		
Opening balance	1.96	-
Add: Addition on account of lapse of employee stock options	1.07	1.96
Balance at the end of the year	3.04	1.96
Capital reserve		
Opening balance	209.61	209.61
Balance at the end of the year	209.61	209.61
Securities premium		
Opening balance	2,013.16	-
Add: on exercising of employee stock options	67.46	63.16
Add: on issue of preferential shares	-	1,950.00
Less: on Issue of Bonus shares	(883.11)	-
Balance at the end of the year	1,197.51	2,013.16
Employees stock options outstanding (refer Note 26)		
Opening balance	50.24	38.43
Add : Employee compensation expense for the year	167.14	76.93
Less: Transfer to securities premium on exercise of options	(67.46)	(63.16)
Less: Reversal due to lapse of options	(1.07)	(1.96)
Balance at the end of the year	148.86	50.24

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Retained earnings		
Opening balance	456.88	43.56
Add: profit / (loss) for the year	234.25	420.01
Add / (Less): Re-measurement gains / (losses) on defined benefit plans	(1.24)	(6.70)
	689.89	456.88
Total Other equity	2,248.90	2,731.85

Employees stock options outstanding

The share based option outstanding account is used to recognise the grant date fair value of options issued to employees under Company's employee stock option schemes.

Retained earnings:

Retained earnings comprises of prior and current year's undistributed earnings after tax

Securities premium

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its Members out of the Securities Premium and the Company can use this reserve for buy-back of shares.

General reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss as also on account of lapse of stock options. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Note 10 : Financial liabilities

10 (a) Trade payable

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Current		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	3.24	15.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7.12	82.39
Total	10.36	97.40

- Trade payables are non-interest bearing and are normally settled on 30-90 days terms.
- For disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006, refer note 31.
- For explanation on Company's liability risk management process, refer note 29.
- For trade payables ageing schedule, refer note 35.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

10 (b) Other financial liabilities

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Non current		
Lease liability (refer note:28)	60.59	51.52
Total non current lease liabilities	60.59	51.52
Current		
Lease liability (refer note:28)	14.48	8.95
Total current lease liabilities	14.48	8.95
Employee benefits payable	116.78	111.22
Creditor for expenses	6.08	3.88
Other financial liabilities	13.05	7.22
Total Other financial liabilities	135.91	122.32
Total	210.98	182.79

Financial liabilities by category

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortised Cost
March 31, 2024			
Trade payable	-	-	10.36
Lease liabilities	-	-	75.07
Other financial liabilities	-	-	135.91
Total Financial liabilities	-	-	221.35

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortised Cost
March 31, 2023			
Trade payable	-	-	97.40
Lease liabilities	-	-	60.47
Other financial liabilities	-	-	122.32
Total Financial liabilities	-	-	280.19

For financial instruments risk management objectives and policies, refer Note 29

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment, refer note 29

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 11 : Provisions

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Non-Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	64.13	50.44
Total Non-Current Provisions	64.13	50.44
Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	24.35	23.32
Total Current Provisions	24.35	23.32
Total	88.48	73.76

Note 12 : Other current liabilities

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Current		
Statutory liabilities- Others	46.17	52.92
Advance from customers	12.58	0.31
Excess billing over revenue	53.87	4.72
Provision for expenses	199.12	4.06
Total	311.74	62.01

Note 13 : Revenue from operations

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Sale of services	3,587.96	2,181.78
Total	3,587.96	2,181.78

*Refer note 34 "Disclosure pursuant to Ind AS 115 "Revenue from contract with customers"

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 14 : Other income

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Net foreign exchange gain	4.71	21.19
Interest Income - Bank Deposits	0.26	0.26
Interest Income - Others	4.04	0.81
Profit on sale of investment	-	0.03
Miscellaneous income	-	0.28
No longer payable	-	0.01
Gain on fair value of investment	1.02	400.17
Total	10.03	422.75

Note 15 : Employee benefit expense

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Salaries,wages and bonus^	1,462.25	1,001.79
Contribution to provident and other funds (refer note 23)	38.02	36.99
Share based payments to employees* (refer note 26)	167.14	56.68
Staff welfare expenses	4.17	4.09
Total	1,671.59	1,099.54

^Salaries,wages and bonus (net of capitalisation)

Salary and wages	1,462.25	1,276.93
Less: Cost capitalised	-	(275.14)
Salaries,wages and bonus cost for the year	1,462.25	1,001.79

*Employee stock option outstanding expenses

Share based payment expense	167.14	76.93
Less : Cost capitalised	-	(20.25)
ESOP cost for the year	167.14	56.68

*Refer note 26 for employee stock option scheme expenses

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 16 : Finance costs

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Interest expense	-	56.59
Interest expense - on statutory dues	0.05	0.27
Interest expense on right of use assets (refer note 28)	5.95	5.20
Total	6.00	62.07

Note 17 : Depreciation and amortization expense

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Depreciation on tangible assets (refer note 3)	15.61	11.38
Amortization on intangible assets (refer note 4)	213.68	96.83
Depreciation on right of use assets (refer note 3)	14.07	10.28
Total	243.37	118.49

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 18 : Other expenses

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Bank charges	2.73	0.71
Software expenses	5.39	4.11
Insurance expenses	0.47	1.00
Communication expenses	2.97	1.50
Commission expenses	3.09	6.96
Legal and consultancy expenses	43.10	122.98
Office expenses	3.67	9.49
Payments to auditors (refer note 18 (a))	4.08	2.70
Rent *	97.63	86.79
Rate and taxes	10.88	0.92
Sales Promotion Expenses	18.58	-
Advertisement expenses	1.90	1.83
Bad Debts	-	8.12
Director sitting fees	4.70	5.80
Balances Written off	0.16	-
Electricity expenses	7.17	7.16
Printing & stationery expenses	0.26	0.50
Travelling expenses	11.61	5.68
Repair & maintenance expenses	2.53	4.21
Security expenses	1.92	1.67
Subscription expenses	20.82	9.74
CSR Expenses (Refer Note 33)	1.51	-
Total	245.16	281.88

*Refer note 24 for "Related party transactions"

18 (a) Payments to auditors

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Auditor	3.00	1.48
For taxation matters	0.90	1.05
For other services	0.18	0.18
Total	4.08	2.70

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 19 : Contingent liabilities

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Contingent liabilities not provided for		
a. Claims against Company not acknowledged as debts	-	-
b. Guarantees given by bank on behalf of the Company	-	-

Note 20 : Capital commitment and other commitments

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	-	-

Note 21 : Foreign exchange derivatives and exposures not hedged

A. Foreign exchange derivatives: The Company does not have any foreign exchange derivatives.

B. Exposure not hedged:

Nature of exposure	Currency	As at March 31, 2024		As at March 31, 2023	
		Foreign currency	Local currency (₹ in Lakhs)	Foreign currency	Local currency (₹ in Lakhs)
Financial Assets	USD	11,66,443	972.87	3,67,699	302.14
	AUD	-	-	7,860	4.32
	GBP	-	-	1,19,952	121.93
	EURO	380	0.34	2,867	2.56
	SGD	200	0.12	200	0.12
	MUF	55	0.00	55	0.00

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 22 : Income tax

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Tax paid in advance (net of provision)	13.84	63.06
Total	13.84	63.06

The major component of income tax expense for the year ended March 31, 2024 and year ended March 31, 2023 are :

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Statement of Profit and Loss		
Current tax		
Current income tax	70.64	46.92
(Excess)/short provision related to earlier years	(3.64)	10.37
Deferred tax		
Deferred tax expense/ (credit)	4.09	88.82
Income tax expense reported in the statement of Profit and loss	71.09	146.11

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for year ended March 31, 2024 and Year ended March 31, 2023

A) Current tax

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Accounting profit before tax from continuing operations	305.34	566.12
Enacted tax rate	25.17%	25.17%
Computed expected tax expense	76.85	142.48
Adjustment		
Effect of non-deductable expenses	(6.21)	(95.56)
(Excess)/short provision related to earlier years	(3.64)	10.37
Employee benefit payable	(3.71)	(3.36)
Income not subject to tax related to Ind AS adjustment	0.25	92.08
Excess of amortization of fixed assets under income-tax law over amortization provided in accounts	7.54	0.10
	71.09	146.11

Notes

To the financial statements for the year ended March 31, 2024 (continued)

B) Deferred tax

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)
Provision for employee benefits	22.27	18.56	(3.71)	(3.36)
Excess of depreciation/ amortisation on fixed assets in accounts over depreciation/amortisation provided under income-tax law.	6.49	14.03	7.54	0.10
Income not subject to tax related to Ind AS adjustment	(91.30)	(91.05)	0.25	92.08
Deferred tax (expense) / income			4.09	88.82
Net deferred tax assets/(liabilities)	(62.55)	(58.46)		
Reflected in the balance sheet as follows				
Deferred tax assets	-	-		
Deferred tax liabilities	(62.55)	(58.46)		
Deferred tax assets (net)	(62.55)	(58.46)		

Particulars	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)
Reconciliation of deferred tax assets / (liabilities), net		
Opening balance as of April 1	(58.46)	30.36
Tax income/(expense) during the year recognised in profit or loss	(4.09)	(88.82)
Tax income/(expense) during the year recognised in OCI	-	-
Closing balance as at March 31	(62.55)	(58.46)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 23 : Disclosure pursuant to Employee benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contribution. The contribution is charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year is as follows:

Amount of INR 38.02 Lakhs (March 31, 2023 : Rs.36.99 Lakhs) is recognised as expenses and included in Note No. 15 "Employee benefit expense"

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Provident Fund	35.94	36.99
ESIC	2.09	
Total	38.02	36.99

Notes

To the financial statements for the year ended March 31, 2024 (continued)

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2024 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	March 31, 2024	
	April 1, 2023	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	73.76	-	10.76	5.05	15.81	(2.32)	-	1.02	1.02	0.22	1.24	-	88.48
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	73.76		10.76	5.05	15.81	(2.32)		1.02	1.02	0.22	1.24		88.48
Total benefit liability	73.76	-	10.76	5.05	15.81	(2.32)	-	1.02	1.02	0.22	1.24	-	88.48

March 31, 2023 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	March 31, 2023	
	April 1, 2022	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	60.40	-	8.90	3.85	12.75	(6.08)	-	(2.66)	6.54	2.81	6.70	-	73.76
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	60.40		8.90	3.85	12.75	(6.08)		(2.66)	6.54	2.81	6.70		73.76
Total benefit liability	60.40	-	8.90	3.85	12.75	(6.08)	-	(2.66)	6.54	2.81	6.70	-	73.76

Notes

To the financial statements for the year ended March 31, 2024 (continued)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.20% p.a	7.40% p.a.
Future salary increase	8.00% p.a.	10.00% p.a. for next 2 years & 8.00% p.a. thereafter
Attrition rate	40% at younger ages reducing to 5% at older ages	40% at younger ages reducing to 5% at older ages
Mortality rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Retirement age	58 years	60 years

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

		(increase) / decrease in defined benefit obligation (Impact)	
Particulars	Sensitivity level	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Gratuity			
Discount rate	0.5% increase	85.99	71.80
	0.5% decrease	91.16	75.87
Future Salary increase	0.5% increase	91.12	75.84
	0.5% decrease	86.00	71.81
Withdrawal rates	10% increase	87.17	72.84
	10% decrease	89.93	74.79

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Gratuity		
Within one year	24.35	23.32
After one year but not more than five years	35.94	29.77
Beyond 5 years	22.94	18.42

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2024 (Years)	Year ended March 31, 2023 (Years)
Gratuity	6.78	6.77

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Risk Exposure

A. Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates :

If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

F. Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 24 : Related party disclosures.

As per the Indian Accounting Standard on “Related party disclosures” (IND AS 24), the related parties of the Company are as follows :

Name of related parties and nature of relationship :

Sr.No	Relationship	Name of company/person	
1	Key Management Personnel	Managing Director	Hiten Barchha
		Non-Executive Chairman	Keyur Shah
		Non-executive Directors	Sanket Khemuka Jigar Shah Dipti Chitale Roopkishan Dave
		Chief financial officer (CFO) and Executive Director	Janmaya Pandya
		Company Secretary (CS)	Jainam Shah
		2	Subsidiary companies
3	Associate companies		
		4	Company having significant influence
5	Entities having common director	MuGenesys Software Private Limited Infibeam Digital Entertainment Private Limited	
6	Other Related Parties	AppiZap L.L.C-FZ (with effect from July 24, 2023) - (Associate of Wholly owned subsidiary) Infibeam Avenues Limited - (holding >10% in preceeding financial year) Avenues Infinite Private Limited - (holding >10% in preceeding financial year)	



Notes

To the financial statements for the year ended March 31, 2024 (continued)

Related party transactions

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Company having significant influence	Subsidiary companies	Associate companies	Entities having common director	Other Related Parties	Total
Investment in equity shares								
Nextenders India Pvt Ltd	March 31, 2024	-	-	-	-	-	-	-
	March 31, 2023	-	-	-	175.00	-	-	175.00
DRC SYSTEMS EMEA L.L.C-FZ	March 31, 2024	-	-	-	-	-	-	-
	March 31, 2023	-	-	22.71	-	-	-	22.71
DRC Systems USA LLC	March 31, 2024	-	-	0.08	-	-	-	0.08
	March 31, 2023	-	-	-	-	-	-	-
Nighthack Technology Private Limited	March 31, 2024	-	-	-	100.00	-	-	100.00
	March 31, 2023	-	-	-	-	-	-	-
Salaries paid								
Hiten Barchha	March 31, 2024	65.00	-	-	-	-	-	65.00
	March 31, 2023	51.00	-	-	-	-	-	51.00
Janmaya Pandya	March 31, 2024	21.22	-	-	-	-	-	21.22
	March 31, 2023	18.34	-	-	-	-	-	18.34
Jainam Shah	March 31, 2024	13.57	-	-	-	-	-	13.57
	March 31, 2023	11.85	-	-	-	-	-	11.85
Directors sitting fees expense								
Director sitting fees to non-executive and independent directors	March 31, 2024	4.70	-	-	-	-	-	4.70
	March 31, 2023	5.80	-	-	-	-	-	5.80
Services taken								
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	1,426.70	1,426.70
	March 31, 2023	-	0.53	-	-	-	-	0.53
MuGenesys Software Private Limited	March 31, 2024	-	-	-	-	-	-	-
	March 31, 2023	-	-	-	-	36.29	-	36.29

Notes

To the financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Company having significant influence	Subsidiary companies	Associate companies	Entities having common director	Other Related Parties	Total
Nighthack Technology Private Limited	March 31, 2024	-	-	-	94.52	-	-	94.52
	March 31, 2023	-	-	-	-	-	-	-
Avenues Infinite Private Limited	March 31, 2024	-	-	-	-	-	6.00	6.00
	March 31, 2023	-	-	-	-	-	-	-
Service given								
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	141.38	141.38
	March 31, 2023	-	121.69	-	-	-	-	121.69
DRC SYSTEMS EMEA L.L.C-FZ	March 31, 2024	-	-	190.85	-	-	-	190.85
	March 31, 2023	-	-	190.71	-	-	-	190.71
DRC Systems USA LLC	March 31, 2024	-	-	75.33	-	-	-	75.33
	March 31, 2023	-	-	-	-	-	-	-
Appizap LLC - FZ	March 31, 2024	-	-	-	-	-	1,658.40	1,658.40
	March 31, 2023	-	-	-	-	-	-	-
Reimbursement of expenses From - other expenses								
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	2.11	2.11
	March 31, 2023	-	0.65	-	-	-	-	0.65
Infibeam Digital Entertainment Private Limited	March 31, 2024	-	-	-	1.43	-	-	1.43
	March 31, 2023	-	-	-	0.37	-	-	0.37
Repayment of loan given								
Jainam Shah	March 31, 2024	-	-	-	-	-	-	-
	March 31, 2023	1.10	-	-	-	-	-	1.10
Business advance taken								
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	805.79	805.79
	March 31, 2023	-	325.00	-	-	-	-	325.00
Repayment of business advance taken								
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	805.79	805.79
	March 31, 2023	-	325.00	-	-	-	-	325.00
Rent expenses								
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	70.84	70.84
	March 31, 2023	-	35.42	-	-	-	-	35.42

Notes

To the financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Company having significant influence	Subsidiary Company	Associate company	Entities having common director	Other Related Parties	Total
Closing balance								
Trade Payable								
Nighthack Technology Private Limited	March 31, 2024	-	-	-	1.95	-	-	1.95
	March 31, 2023	-	-	-	-	-	-	-
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	2.20	2.20
	March 31, 2023	-	-	-	-	-	-	-
Avenues Infinite Private Limited	March 31, 2024	-	-	-	-	-	1.96	1.96
	March 31, 2023	-	-	-	-	-	-	-
Provision for expenses								
Infibeam Digital Entertainment Private Limited	March 31, 2024	-	-	-	-	0.08	-	0.08
	March 31, 2023	-	-	-	-	0.08	-	0.08
Nighthack Technology Private Limited	March 31, 2024	-	-	-	19.51	-	-	19.51
	March 31, 2023	-	-	-	-	-	-	-
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	170.24	170.24
	March 31, 2023	-	-	-	-	-	-	-
Trade Receivables								
Appizap LLC - FZ	March 31, 2024	-	-	-	-	-	740.64	740.64
	March 31, 2023	-	-	-	-	-	-	-
DRC SYSTEMS EMEA L.L.C-FZ	March 31, 2024	-	-	-	-	-	-	-
	March 31, 2023	-	-	99.72	-	-	-	99.72
Accrued Revenue								
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	-	8.05	8.05
	March 31, 2023	-	-	-	-	-	-	-

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2024 (March 31, 2023: Rs.Nil)

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 25 : Earning per share

Particulars	2023-24	2022-23
Earning per share (basic and diluted)		
Profit attributable to ordinary equity holders (₹ in Lakhs)	234.25	420.01
Total no. of equity shares at the end of the year	13,24,65,930	4,39,02,060
Add: Issue of Bonus shares during FY-2023-24 in the ratio of 2:1 *	-	8,78,04,120
Total no. of equity shares at the end of the year	13,24,65,930	13,17,06,180
Weighted average number of equity shares		
For basic EPS	13,19,59,430	12,22,86,172
For diluted EPS	13,38,70,077	12,32,69,317
Nominal value of equity shares	1.00	1.00
Basic earning per share	0.18	0.34
Diluted earning per share	0.17	0.34
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	13,19,59,430	12,22,86,172
Effect of dilution: Employee stock options	19,10,647	9,83,146
Weighted average number of equity shares adjusted for the effect of dilution	13,38,70,077	12,32,69,317

* Since the bonus issue is an issue without consideration, the bonus issue is treated as if it had occurred prior to the beginning of the year FY-2023-24, the earliest period reported.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 26: Share based payments

Employee stock option (ESOP) scheme (2021-22):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on August 27, 2021 read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on September 28, 2021. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled in demat mode. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Re 1 which is 93% to 98% below the market price at the date of grant.

Scheme	ESOP Scheme 2021-22		
	April 01, 2023	October 01, 2023	October 01, 2022
Date of grant	April 01, 2023	October 01, 2023	October 01, 2022
Number of options granted	22,800	5,51,500	3,00,750
Exercise price per option	1.00	1.00	1.00
Vesting requirements	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.
Exercise period	1 year - 5 years	1 year - 5 years	1 year - 5 years
Method of settlement	Demat mode	Demat mode	Demat mode

The following table sets forth a summary of the activity of options:

Particulars	2023-24	2022-23
	ESOP Scheme 2021-22	ESOP Scheme 2021-22
Options		
Outstanding at the beginning of the year	3,40,000	3,03,250
Granted during the year	5,74,300	3,00,750
Exercised during the year	(2,53,250)	(2,48,500)
Lapse during the year	(8,000)	(15,500)
Outstanding at the end of the year-Pre-Bonus	6,53,050	3,40,000
Outstanding at the end of the year-Post-Bonus *	19,59,150	-
Exercisable at the end of the year	19,59,150	3,40,000

* In view of Bonus shares issued by the Company in the ratio of 2:1, the outstanding stock options as on the record date of Bonus are being entitled to bonus and hence the post bonus effect is considered for outstanding stock options as at March 31, 2024

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Employee stock option plan	167.14	56.68
Total employee share based payment expense	167.14	56.68

The fair value of the share based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Particulars	2023-24		2022-23
Option grant date	April 01, 2023	October 01, 2023	October 01, 2022
Weighted average share price**	46.47	40.98	27.55
Exercise price	1	1	1
Expected volatility	77.31%	77.31%	56.71%
Expected life (years)	1.50	1.50	1.50
Dividend yield	NIL	NIL	NIL
Risk-free interest rate (%)	6.98%	7.08%	7.22%
Fair market value share	46.29	40.80	26.95
Weighted average remaining contractual life (Years)	2	2	2

**Pre Bonus Price

Note 27 : Segment reporting

Based on the "management approach" as defined in Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Company operates in one business segment, which is primarily related to Software development, maintenance and other ancillary services.

A. Geographical Information

Segment revenue is analysed based on the location of customers regardless of where the services are provided from. The following provides an analysis of the Company's sales by Geographical Markets. For management purpose, the Company operates in three principal geographical areas of the world, in India, in UAE and other countries. As the Company does not operate in more than one business segment, disclosures for primary segment as required under Ind AS 108 have not been given.

B. Unallocated items

Domestic geographical segment includes certain assets which are common to both the geographical segment (i.e. Domestic and Export). Non-current assets exclude financial instruments, deferred tax assets and tax assets.

C. Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

Particulars	Year ending	India	UAE	Others	Total
Revenue from operations	31-03-2024	1,326.17	1,849.24	412.55	3,587.96
	31-03-2023	1,299.62	194.58	687.58	2,181.78
Carrying amount of segment non-current assets*	31-03-2024	1,467.76	22.71	1,439.95	2,930.41
	31-03-2023	1,018.34	22.71	1,439.87	2,480.91

* The carrying amount of Non Current Assets which do not include Deferred Tax Asset, Income Tax Assets. Financial Assets analysed the geographical area in which the Assets are located.

Note 28 : Lease

A. Operating Lease - current

The Company has taken commercial premises under operating leases. The leases period is of less than 1 year. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognized as an expense in the Statement of Profit and Loss during the year is INR 97.63 Lakhs (previous year INR 86.79 Lakhs)

B. Operating Lease - non-current

The Company's lease asset primarily consist of leases of vehicles having the various lease terms. Accordingly, the Company has adopted IND AS 116 "Leases" to all lease contracts.

Following is carrying value of right of use assets recognised and the movements thereof during the year ended March 31, 2024 and March 31,2023 :

Particulars	Right of use assets	
	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Opening Balance	57.42	67.70
Additions during the year	26.72	-
Deletion during the year	-	-
Depreciation of right of use assets (refer note 3)	14.07	10.28
Closing balance	70.07	57.42

Notes

To the financial statements for the year ended March 31, 2024 (continued)

The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2024 and March 31, 2023 :

Particulars	Lease Liability	
	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Opening Balance	60.47	68.73
Additions during the year	26.72	-
Finance cost accrued during the year (refer note 16)	5.95	5.20
Deletions	-	-
Payment of lease liabilities	(18.07)	(13.46)
Closing balance	75.07	60.47
Current maturities of lease liability (refer note 10)	14.48	8.95
Non-Current lease liability (refer note 10)	60.59	51.52

The following are the amounts recognised in statement of profit & loss :

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Depreciation of right of use assets (refer note 3)	14.07	10.28
Interest on lease obligation (refer note 16)	5.95	5.20
Total	20.02	15.48

The Company had total cash out flows for leases of Rs. 18.07 Lakhs in the current year (year ended March 31, 2023 Rs. 13.46 lakhs). The entire amount is in the nature of fixed lease payments. The Company had non-cash addition to right of use assets of Rs 26.72 lakhs in the current year (year ended March 31, 2023 Rs. NIL) and lease liabilities of Rs. 26.72 lakhs in the current year (year ended March 31, 2023 Rs. NIL) on account of acquisition of right of use assets.

The weighted average incremental borrowing rate applied to lease liabilities is 8%

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 29 : Financial instruments – fair values and risk management

A. Accounting classification and fair values

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

As at March 31, 2024

(₹ in Lakhs)

Particulars	Carrying amount			Total	Fair value			Total
	Amortised Cost	Fair value through			Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
		Other comprehensive income	Profit and loss					
Financial assets								
Non current investments	122.79	-	1,978.57	2,101.36	-	1,978.57	122.79	2,101.36
Other non-current financial asset	12.28	-	-	12.28	-	-	12.28	12.28
Total	135.07	-	1,978.57	2,113.64	-	1,978.57	135.07	2,113.64
Financial liabilities								
Other financial liabilities - non current	60.59	-	-	60.59	-	-	60.59	60.59
Total	60.59	-	-	60.59	-	-	60.59	60.59

As at March 31, 2023

(₹ in Lakhs)

Particulars	Carrying amount			Total	Fair value			Total
	Amortised Cost	Fair value through			Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
		Other comprehensive income	Profit and loss					
Financial assets								
Non current investments	22.71	-	1,977.55	2,000.26	-	1,977.55	22.71	2,000.26
Other non-current financial asset	17.82	-	-	17.82	-	-	17.82	17.82
Total	40.53	-	1,977.55	2,018.07	-	1,977.55	40.53	2,018.07
Financial liabilities								
Other financial liabilities - non current	51.52	-	-	51.52	-	-	51.52	51.52
Total	51.52	-	-	51.52	-	-	51.52	51.52

The management assessed that cash and cash equivalents, other bank balances, loans, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Level 2 - Valuation technique and significant observable inputs for assets and liabilities

The fair values of the unquoted non current investment have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk &
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of these operations include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

Financial instruments and cash deposits

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with company's policy. Investment of surplus funds are primarily made in Liquid/Short Term Plan of Mutual Funds and in Bank Deposits which carry a high external rating.



Notes

To the financial statements for the year ended March 31, 2024 (continued)

Trade receivables

Trade receivables of the company are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which company grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

Particulars	Carrying amount as at	
	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)
Domestic	97.72	203.04
Other regions	751.55	221.92
Total	849.26	424.96

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Particulars	Carrying amount as at					
	As at March 31, 2024 (₹ in Lakhs)			As at March 31, 2023 (₹ in Lakhs)		
	Gross	Less: Provision	Net	Gross	Less: Provision	Net
Less than six months	840.10	-	840.10	410.72	-	410.72
More than six months	9.16	-	9.16	14.24	-	14.24
Total	849.26	-	849.26	424.96	-	424.96

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at March 31, 2024 and March 31, 2023.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	Less than 1 Year	More than 1 Year
Year ended March 31, 2024		
Trade payables	10.36	-
Other financial liabilities	150.40	60.59
Total	160.76	60.59
Year ended March 31, 2023		
Trade payables	97.40	-
Other financial liabilities	131.27	51.52
Total	228.68	51.52

iii. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Company does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AUD, EUR and GBP rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

	Change in USD rate	Effect on profit before tax
March 31, 2024	+5%	48.64
	-5%	(48.64)
March 31, 2023	+5%	15.11
	-5%	(15.11)

(₹ in Lakhs)

	Change in GBP rate	Effect on profit before tax
March 31, 2024	+5%	-
	-5%	-
March 31, 2023	+5%	6.10
	-5%	(6.10)

(₹ in Lakhs)

	Change in AUD rate	Effect on profit before tax
March 31, 2024	+5%	-
	-5%	-
March 31, 2023	+5%	0.22
	-5%	(0.22)

(₹ in Lakhs)

	Change in EUR rate	Effect on profit before tax
March 31, 2024	+5%	0.02
	-5%	(0.02)
March 31, 2023	+5%	0.13
	-5%	(0.13)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed plus variable rate borrowings.

Equity price risk management

The Company's exposure to equity price risk arises from investment held by the Company and classified as FVTPL. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 30 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Interest-bearing loans and borrowings	-	-
Less: cash and cash equivalent (including other bank balance) (Note 5)	144.59	206.91
Net debt	(144.59)	(206.91)
Equity share capital (Note 8)	1,324.66	439.02
Other equity (Note 9)	2,248.90	2,731.85
Total capital	3,573.56	3,170.87
Capital and net debt	3,428.97	2,963.97
Gearing ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

Note 31 : Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' (the MSMED Act') accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Dues remaining unpaid to any supplier as at the end of accounting year:		
Principal	3.24	15.01
Interest on the above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, which have been registered with the relevant competent authorities. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

Note 32 : Transfer Pricing

The Company's transactions with associated enterprises are at arm's length. Management believes that company's domestic transactions with associated enterprises post March 31, 2024 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for the taxation at the period end.

Note 33 : Corporate Social Responsibility (CSR) Activities :

- The Company is required to spend Rs. 1.50 Lakhs (Previous Year Rs. NIL) on CSR activities.
- Amount spent during the year on:

(₹ in Lakhs)

Description	2023-24			2022-23		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i. Construction / Acquisition of an Assets	-	-	-	-	-	-
ii. Contribution to Trust/ Universities	1.51	-	1.51	-	-	-
iii. On Purposes other than above	-	-	-	-	-	-
c. Shortfall at the end of the year	-	-	-	-	-	-
d. Total of previous years shortfall	-	-	-	-	-	-
e. Reason for shortfall	Not Applicable			Not Applicable		
f. Nature of CSR activities undertaken by the	Providing food items, Plantation medical and other social activities under Swachh Bharat Abhiyan			Not Applicable		
g. Details of related party transaction	NIL			Not Applicable		

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 34 : Disclosure pursuant to Ind AS 115 “Revenue from contract with customers” :

a. Disaggregation of revenue

The table below presents disaggregated revenue from contract with customers for the year ended March 31, 2024 and March 31, 2023 by offerings.

i. Revenue by offerings

Particulars	For the year ended March 31, 2024 (₹ in Lakhs)	For the year ended March 31, 2023 (₹ in Lakhs)
IT and IT enabled services	3,587.96	2,181.78
Total	3,587.96	2,181.78

IT and IT enabled services

It comprises of web & mobile app development, maintenance, testing and related ancillary services

ii) Refer note 27 for disaggregation of revenue by geographical segments

iii) The Company believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors

b. Transaction price allocated to remaining performance obligation

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2024 is INR 53.87 lakhs (March 31, 2023: INR 4.72 lakhs) which is expected to be recognized as revenue within the next one or more than one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revalidations, and adjustments for currency.

c. Changes in contract assets are as follows

Particulars	For the year ended March 31, 2024 (₹ in Lakhs)	For the year ended March 31, 2023 (₹ in Lakhs)
Balance at the beginning of the year	48.56	54.60
Revenue recognised during the year	217.09	48.56
Invoices raised during the year	(48.56)	(54.60)
Balance at the end of the year	217.09	48.56

d. Changes in unearned and deferred revenue are as follows:

Particulars	For the year ended March 31, 2024 (₹ in Lakhs)	For the year ended March 31, 2023 (₹ in Lakhs)
Balance at the beginning of the year	4.72	8.24
Revenue recognised that was included in the excess billing over revenue at the beginning of the year	(4.47)	(7.91)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	53.63	4.39
Balance at the end of the year	53.87	4.72

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 35 : Ageing schedule

a. Trade receivables ageing schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	840.10	-	9.16	-	-	849.26

As at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	410.72	1.57	12.53	0.14	-	424.96

b. Trade payables ageing schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	3.24	-	-	-	-	3.24
Others	7.12	-	-	-	-	7.12
Total	10.36	-	-	-	-	10.36

As at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	15.01	-	-	-	-	15.01
Others	82.39	-	-	-	-	82.39
Total	97.40	-	-	-	-	97.40

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 36 : Additional regulatory information

A. Analytical ratios

Ratios	Numerator	Denominator	As on March 31, 2024	As on March 31, 2023	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	2.64	3.51	-25%	Decrease due to higher proportionate increase in current liabilities as compared to current assets
Debt equity ratio	Borrowings	Total Equity	-	-	NA	NA
Debt service coverage ratio	EBITDA	Interest + Principal	-	-	NA	NA
Return on equity ratio	EBIT	Total Assets less Total Liabilities	8.71%	19.81%	-56%	Decrease due to decrease in Profit Before Tax during current year.
Net capital turnover ratio	Income from Operations	Average Working Capital (Current Assets less Current Liabilities)	4.47	3.33	34%	Increase due to increase in revenue from operations as well as due increase in average working capital in current year
Net profit ratio	Net Profit	Total Income	6.51%	16.13%	-60%	Decrease in view of net profit during the year due to lesser one time other income as in earlier year also in view of increase in cost of services during current year.
Trade receivables turnover ratio	Income from Operations	Average Trade Receivables	5.63	4.26	32%	Improvement in view of better working capital management.
Trade payables turnover ratio	Contracting Expenses	Average Trade Payables	20.91	9.78	114%	Improvement in view of better working capital management
Return on capital employed	EBIT	Total Assets less Current Liabilities	8.28%	18.86%	-56%	Decrease in view of net profit during the year due to lesser one time other income as in earlier year also in view of increase in cost of services during current year.
Inventory Turnover Ratio	NA	NA	NA	NA	NA	NA
Return on investment	Income generated from investments	Average Investments	0.00%	0.00%	-	No Income generated from Investments during the year

Notes

To the financial statements for the year ended March 31, 2024 (continued)

B. Others

1. There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
2. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
3. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.
4. **Utilisation of Borrowed funds and share premium;**
The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
 - i. 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
 - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.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 company shall
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. **Undisclosed Income :** The Company do not have any transaction 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). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.
6. **Details of Crypto Currency or Virtual Currency :** The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2024. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.
7. **Title deeds of Immovable Property not held in name of the Company**
The company does not hold any immovable property not held in the name of the company
8. **Details of Relationship with Struck off Companies**

As at March 31, 2024:

The company does not have closing balances with struck off companies at at March 31,2024

As at March 31, 2023:

The company does not have closing balances with struck off companies at at March 31,2023

Notes

To the financial statements for the year ended March 31, 2024 (continued)

Note 37 : Previous year figures have been regrouped or recast wherever necessary to present them more appropriately with those of the current year

As per our report of even date
For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of
DRC Systems India Limited
CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: May 21, 2024

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: May 21, 2024

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: May 21, 2024

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: May 21, 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of DRC SYSTEMS INDIA LIMITED

Report on the Audit of the Consolidated Ind AS financial statements

Opinion

We have audited the consolidated Ind AS financial statements of **DRC Systems India Limited ("the Holding Company")** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Cash Flow, the Consolidated statement of changes in equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statement of the subsidiaries referred to in the Other Matters section below, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2024, and their Consolidated profit, their Consolidated total comprehensive income, their Consolidated cash flows, and their consolidated changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements* section of our report. We are independent of the Group in accordance with the code of Ethics issued by the institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies

Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Holding Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Director report, but does not include the Consolidated Ind AS financial statements, standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information, compare with the Ind AS financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and , in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their Ind AS financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required report that fact. We have nothing to report in this regard.

Managements and the Board of Director's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS financial statements, the respective Company's Management and the Board of Directors of the entities included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit concluded in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary companies to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of Ind AS financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entity included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The accompanying Statement includes the audited Ind AS financial statements and other financial information, in respect of;

- **2 Subsidiaries** whose Financial Results/statements reflects total assets of Rs. 3627.42 Lakhs as at March 31, 2024, total revenue of Rs 1446.57 Lakhs, net Profit after tax of Rs. 926.45 Lakhs and total comprehensive income of Rs. 926.45 Lakhs for the year ended on that date and net cash flow of Rs 239.18 Lakhs for the year ended on March 31, 2024.
- **2 Associates** whose Financial Results/statements reflects group's share of total comprehensive income of Rs. 4.71 Lakhs for the year ended on that date.

These Ind AS financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates, is based solely on the report of other auditors and the procedures performed by us are as stated in paragraph above. Our opinion is not modified in respect of this matter

The subsidiaries are located outside India whose Ind AS financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditor under generally accepted auditing standards applicable in respective country. The Holding Company's management has converted the Ind AS financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of subsidiaries located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate Ind AS financial statements of the subsidiaries, we report, to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. the Consolidated balance sheet, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of Cash Flow and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rule issued thereunder;
- e. On the basis of written representations received from the directors of Holding Company as on March 31, 2024 taken on record by the Board of Directors of Holding Company, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting with reference to the Ind AS financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or in any other person(s) or entity(ies), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose Ind AS financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated Ind AS financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose Ind AS financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- i. The Group has neither declared nor paid any dividend during the year.
- j. Based on our examination which included test checks, and based on the other auditor's reports of its subsidiaries and its associates, companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, its subsidiaries and its associates have used accounting software systems for maintaining their respective books of account for the financial year ended 31 March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31 March, 2024.
- k. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries and associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

Place: Ahmedabad
Date: 21/05/2024
UDIN: 24046922BKCWSP5226

For Rajpara Associates
Chartered Accountants
FRN 113428W

Chandramaulin J. Rajpara
Partner
M. No. 046922

to the Independent Auditor's report on the Consolidated Ind AS financial statements of DRC Systems India Limited for the year ended on March 31, 2024

Report on the Internal Financial Controls with reference to the Consolidated Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph (f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated Ind AS financial statements of DRC Systems India Limited as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of DRC Systems India Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's and Board of Director's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated Ind AS financial statements based on the internal control with reference to consolidated Ind AS financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Ind AS financial statements of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls with reference to consolidated Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Ind AS financial statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Place: Ahmedabad
Date: 21/05/2024
UDIN: 24046922BKCWSP5226

Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Chandramaulin J. Rajpara
Partner
M. No. 046922

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

Particulars	Notes	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	35.23	22.10
Right of use assets	3	70.07	57.42
Other intangible assets	4	1,628.61	455.12
Intangible assets under development	4	1,042.56	-
Financial assets	5		
(i) Investments		2,083.95	1,966.85
(ii) Other financial assets		12.28	17.82
Non-current tax assets (net)	7	13.84	63.06
Total non-current assets		4,886.53	2,582.37
II. Current assets			
Financial assets	5		
(i) Trade receivables		1,969.14	572.92
(ii) Cash and cash equivalents		413.72	236.86
(iii) Loans		35.66	-
(iv) Others financial assets		356.16	466.50
Other current assets	6	195.19	47.30
Total current assets		2,969.87	1,323.59
Total Assets		7,856.40	3,905.96
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,324.66	439.02
Other equity	9	3,458.37	2,988.49
Total equity		4,783.03	3,427.51

Particulars	Notes	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
LIABILITIES			
I. Non-current liabilities			
Financial liabilities	10		
(i) Lease liabilities		60.59	51.52
Provisions	11	64.13	50.44
Deferred tax liabilities (net)	22	62.55	58.46
Total non-current liabilities		187.27	160.42
II. Current liabilities			
Financial liabilities	10		
(i) Lease liabilities		14.48	8.95
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		3.24	15.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10.12	82.39
(iii) Other financial liabilities		1,909.31	122.32
Provisions	11	24.35	23.32
Other current liabilities	12	924.59	66.04
Total current liabilities		2,886.10	318.03
Total equity and liabilities		7,856.40	3,905.96
Summary of significant accounting policies	1-2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of
DRC Systems India Limited
CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: May 21, 2024

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: May 21, 2024

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: May 21, 2024

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: May 21, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

Particulars	Notes	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Income			
Revenue from operations	13	4,768.30	2,562.52
Other income	14	10.97	422.75
Total income (I)		4,779.27	2,985.26
Expenses			
Contracting Expenses		1,179.65	480.31
Employee benefit expenses	15	1,829.81	1,203.65
Finance costs	16	6.00	62.07
Depreciation and amortisation expenses	17	254.76	120.12
Other expenses	18	277.26	292.90
Total expenses (II)		3,547.49	2,159.05
Profit before exceptional items, share of profit / (loss) of an associate and tax (III) = (I - II)		1,231.78	826.22
Exceptional items (IV)		-	-
Profit after exceptional items but before share of profit / (loss) of associates and tax (V) = (III + IV)		1,231.78	826.22
Share in net profit/(loss) of associate (VI)		4.71	(10.70)
Profit before tax (VII) = (V + VI)		1,236.49	815.52
Tax expenses			
Current tax	22	70.64	46.92
(Excess)/short provision related to earlier years		(3.64)	10.37
Deferred tax		4.09	88.82
Total tax expenses (VIII)		71.09	146.11
Profit for the year (IX) = (VII - VIII)		1,165.40	669.41

Particulars	Notes	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(1.24)	(6.70)
Total other comprehensive income for the year (X)		(1.24)	(6.70)
Total Comprehensive Income for the year comprising Profit and Other comprehensive Income for the year(XI) = (IX+X)		1,164.17	662.71
Profit for the period / year attributable to:			
Owners of the company		1,165.40	669.41
Non-controlling Interest		-	-
		1,165.40	669.41
Other comprehensive Income/ (loss) attributable to:			
Owners of the company		(1.24)	(6.70)
Non-controlling Interest		-	-
		(1.24)	(6.70)
Total Comprehensive Income/ (Expenses) attributable to:			
Owners of the company		1,164.17	662.71
Non-controlling Interest		-	-
		1,164.17	662.71
Earning per share [nominal value per share Re.1/- (March 31, 2023: Re.1/-)]			
Basic	25	0.88	0.55
Diluted	25	0.87	0.54
Summary of significant accounting policies	1-2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of
DRC Systems India Limited
CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: May 21, 2024

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: May 21, 2024

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: May 21, 2024

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: May 21, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

A. Equity share capital

(₹ in Lakhs)

As at March 31, 2023	Changes in Equity Share capital due to prior period errors	Restated balance as at March 31,2023	Changes in Equity Share capital during the year	As at March 31, 2024
439.02	-	439.02	885.64	1,324.66

As at March 31, 2022	Changes in Equity Share capital due to prior period errors	Restated balance as at March 31,2022	Changes in Equity Share capital during the year	As at March 31, 2023
386.54	-	386.54	52.49	439.02

B. Other equity

(₹ in Lakhs)

Particulars	Attributable to equity holders of the parent						Total other equity
	Retained Earnings	Employees Stock Options Outstanding	Securities premium	Capital reserve	General reserve	Foreign currency monetary item translation reserve	
	Note 9	Note 9	Note 9	Note 9	Note 9	Note 9	
Balance as at March 31, 2022	43.56	38.43	-	209.61	-	-	291.60
Employee compensation expense for the year (refer note 26)	-	76.93	-	-	-	-	76.93
Add/ (Less): Transfer to securities premium on exercise of options	-	(63.16)	63.16	-	-	-	-
Add/ (Less): Reversal due to lapse of options	-	(1.96)	-	-	1.96	-	-
Add: on issue of preferential shares	-	-	1,950.00	-	-	-	1,950.00
Add: Foreign currency translation	-	-	-	-	-	7.24	7.24
Profit /(Loss) for the year	669.41	-	-	-	-	-	669.41
Re-measurement gains / (losses) on defined benefit plans	(6.70)	-	-	-	-	-	(6.70)
Balance as at March 31, 2023	706.27	50.24	2,013.16	209.61	1.96	7.24	2,988.49

Particulars	Reserves and Surplus						Total other equity
	Retained Earnings	Employees Stock Options Outstanding	Securities premium	Capital reserve	General reserve	Foreign currency monetary item translation reserve	
	Note 9	Note 9	Note 9	Note 9	Note 9	Note 9	
Balance as at March 31, 2023	706.27	50.24	2,013.16	209.61	1.96	7.24	2,988.49
Employee compensation expense for the year (refer note 26)	-	167.14	-	-	-	-	167.14
Add/ (Less): Transfer to securities premium on exercise of options	-	(67.46)	67.46	-	-	-	-
Add/ (Less): Reversal due to lapse of options	-	(1.07)	-	-	1.07	-	-
Issue of bonus shares	-	-	(883.11)	-	-	-	(883.11)
Add: Foreign currency translation	-	-	-	-	-	21.67	21.67
Profit /(Loss) for the year	1,165.40	-	-	-	-	-	1,165.40
Re-measurement gains / (losses) on defined benefit plans	(1.24)	-	-	-	-	-	(1.24)
Balance as at March 31, 2024	1,870.44	148.86	1,197.51	209.61	3.04	28.92	3,458.37

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of
DRC Systems India Limited
CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: May 21, 2024

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: May 21, 2024

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: May 21, 2024

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: May 21, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

Particulars	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
A. Cash flows from operating activities		
Profit before tax	1,231.78	826.22
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	254.76	120.12
Employee stock option expense (net)	167.14	56.68
Finance cost	6.00	62.07
Bad debts written off	-	8.12
Balances Written off	0.57	-
Unrealized foreign currency exchange loss / (gain) net	15.04	(1.00)
No longer payable	-	(0.01)
Profit on sale of investment	-	(0.03)
Interest income on bank deposits	(0.26)	(0.26)
Interest income - Others	(4.04)	(0.81)
Fair value gain on investment	(1.02)	(400.17)
	438.18	(155.30)
Operating profit before working capital changes	1,669.97	670.92
Adjustments for:		
Changes in trade & other payables	(84.04)	97.41
Changes in trade receivables	(1,411.25)	18.30
Changes in other current & non current assets	(36.27)	(431.67)
Changes in other current and non current liabilities and provisions	2,659.03	21.80
Net changes in working capital	1,127.47	(294.15)
Cash generated from operations	2,797.44	376.77
Direct taxes paid (net of income tax refund)	(17.77)	(105.09)
Net cash (used in) from operating activities (A)	2,779.66	271.67
B. Cash Flow from investing activities		
Payment for acquisition of property, plant and equipment and intangible asset (including intangible under development)	(2,448.19)	(364.50)
Investment in equity instruments (net)	(111.36)	(137.48)
Loans & Advances Given	(35.66)	-
Fixed deposits with bank (net)	3.70	(1.57)
Interest received	4.30	1.07
Net cash (used in) from investing activities (B)	(2,587.21)	(502.49)

C. Cash flow from financing activities		
Repayment of Lease liabilities	(12.12)	(8.26)
Proceeds from preferential issue of shares	-	2,000.00
Proceeds from exercise of employee stock options (ESOP)	2.53	2.49
Proceeds / (Repayment) of borrowings	-	(1,515.00)
Finance cost	(6.00)	(62.07)
Net cash (used in) from financing activities (C)	(15.59)	417.15
Net increase/(decrease) in cash & cash equivalents (A+B+C)	176.86	186.34
Cash & cash equivalents at the beginning of the year	236.86	50.52
Cash & cash equivalents at the end of the year	413.72	236.86

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (IND AS) - 7 "Statement of Cash Flows" issued by the Institute of Chartered Accountants of India.

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Cash and cash equivalents comprise of: (Note 5d)		
Balances with banks		
Current accounts	412.43	235.64
Cash on hand	1.30	1.22
Cash and cash equivalents	413.72	236.86

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of
DRC Systems India Limited
CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: May 21, 2024

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: May 21, 2024

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: May 21, 2024

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: May 21, 2024

Notes

1. Company Overview , Statement of compliance and basis of preparation

a. Corporate Information

DRC Systems India Limited (‘the Company’) was incorporated on April 27, 2012 under the Companies Act, 1956. The Group (along with its subsidiaries and associates, collectively referred to as (the “group”) is a service company and its principal activities comprise of IT and IT enabled services including web and mobile app development, maintenance, testing and related ancillary services.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited in India. The registered office of the company is located at 24th Floor, GIFT Two Building, Block No. 56, Road – 5C, Zone – 5, GIFT CITY, Gandhinagar, Taluka & District – Gandhinagar – 382 355 Gujarat, India.

The consolidated financial statements were authorized for issue in accordance with a resolution of the Directors on May 21, 2024

b. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

c. Basis of preparation of financial statements

These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

The financial statements are presented in Indian Rupee (‘INR’) which is also the Group's functional currency and all values are rounded to the nearest millions, except when otherwise indicated.

2. Basis of consolidation, Critical Accounting estimates and Summary of Significant Accounting Policies

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associates as at 31 March 2024.

Subsidiaries : Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Equity accounted investees : The Group's interests in equity accounted investees comprise interests in associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the

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To the consolidated financial statements for the year ended March 31, 2024 (continued)

consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of each of the subsidiaries and associate used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

Consolidation procedure:

- I. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- II. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- III. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Members of the Group are eliminated in full on consolidation. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

The consolidated financial statements comprise the financial statements of the Company, and its subsidiaries and associates as disclosed below.

Name of the Company	Country of Incorporation	% of share-holding As at 31st March, 2024	% of share-holding As at 31st March, 2023
Subsidiaries:			
DRC SYSTEMS EMEA L.L.C-FZ	UAE	100.00%	100.00%
DRC Systems USA LLC	USA	100.00%	-
Associates:			
Nighthack Technology Private Limited (with effect from October 27, 2023)	India	45.05%	-
AppiZap L.L.C-FZ (with effect from July 24, 2023) - (Associate of Wholly owned subsidiary)	UAE	50.00%	-
Nextenders India Private Limited (with effect from December 01, 2022 upto March 26, 2023)	India	18.34%	18.34%

b. Critical accounting estimates

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

I. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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To the consolidated financial statements for the year ended March 31, 2024 (continued)

II. Defined benefit plans

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. Discount rate has been determined by reference to market yields on the government bonds as at the balance sheet date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 23.

III. Employee Stock Option Scheme

The Group initially measures the cost of equity settled transactions with employees using a black schole model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 26.

IV. Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

V. Intangible asset including intangible asset under development

Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use. Research and maintenance costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 2(c) 5 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 4.

VI. Property, plant and equipment

Refer Note 2(c) 4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3.

VII. Revenue recognition

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

VIII. Investments

Investment in associates is carried at cost in the consolidated financial statements.



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To the consolidated financial statements for the year ended March 31, 2024 (continued)

c. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

1) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2) Foreign currencies

The Group's financial statements are presented in Indian rupees. The functional currency of Parent and Indian Subsidiaries and Associates is the Indian Rupee. The functional currency of Overseas Subsidiaries and Associates is local currency of the respective countries in which they are incorporated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

The translations of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using exchange rate in the effect at the balance sheet and for revenue, expense and cash-flow items using average exchange rate for respective periods. The gains or losses resulting from such translations are included in currency translation reserve under other component of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

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To the consolidated financial statements for the year ended March 31, 2024 (continued)

3) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, as described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

4) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All repair and maintenance costs are recognised in statement of profit or loss as incurred.



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To the consolidated financial statements for the year ended March 31, 2024 (continued)

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as follows:

- Plant and machinery - 5 to 10 years
- Furniture & fixtures - 10 years
- Office equipment's - 3 to 5 years
- Computer, servers & network - 3 to 6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

5) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Period of Amortisation of Intangibles is calculated as follows:

- Computer software generated/acquired - 5 to 10 years

Intangible assets under development

Expenditure incurred on acquisition /construction of intangible assets which are not ready for their intended use at balance sheet date are disclosed under Intangible assets under development. During the period of development, the asset is tested for impairment annually.

6) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group's lease asset classes primarily comprise of lease for Vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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To the consolidated financial statements for the year ended March 31, 2024 (continued)

(i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

- **Right of use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of- use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e.5-7 years) If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of use assets are also subject to impairment.

- **Lease Liabilities**

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the

Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in other current and non-current financial liabilities.

- **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



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To the consolidated financial statements for the year ended March 31, 2024 (continued)

7) Impairment of non-financial assets

Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

8) Borrowing cost

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

9) Revenue Recognition

Rendering of services

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

Revenue from Web Services is recognised upfront at the point in time when the service is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customizes, this service is recognized proportionally over the period.

Revenue is measured based on the consideration specified in a contract with the customer and excludes amounts collected on behalf of customers. The Group presents revenue net of discounts and collection charges. Revenue also excludes taxes collected from customers.

Revenue from related parties are recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Excess billing over revenue ("contract liability") is recognised when there is billing in excess of revenues.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could

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To the consolidated financial statements for the year ended March 31, 2024 (continued)

undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by offering and geography.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date as per contract.

Interest income

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

10) Financial instruments – initial recognition and subsequent measurement

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

a. Financial assets

(I) Initial recognition and measurement.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

(I) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at fair value through statement of profit and loss (FVTPL)

Debt instruments at amortised cost:

A debt instrument is measured at amortised cost if both the following conditions are met:

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

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

Debt instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at fair value through other comprehensive income if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and



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To the consolidated financial statements for the year ended March 31, 2024 (continued)

the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in associates:

Investment in associates is carried at cost in the consolidated financial statements.

(II) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

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To the consolidated financial statements for the year ended March 31, 2024 (continued)

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(IV) Impairment of financial assets

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

b) Financial Liabilities

(I) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

(II) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.



Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

(III) Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Offsetting of financial instruments

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

11) Cash and cash equivalent

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

12) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

The Group does not recognize tax credits in the nature of MAT credit as an asset since there is no convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the future year in which the Group recognizes tax credits as an asset, the said asset will be created by way of tax credit to the Statement of profit and loss.

13) Retirement and other employee benefits

a. Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

b. Post-Employment Benefits

I. Defined benefit plan

Gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet reduced by the fair value of any plan assets. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:



Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Group has not invested in any fund for meeting liability.

14) Employee stock option schemes

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

15) Earnings per share

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

16) Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

17) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Provision in respect of contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

18) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.



Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 3 : Property, plant and equipment

(₹ in Lakhs)

Particulars	Plant & machinery	Furniture & fixture	Office equipment	Computer, server & network	Total	Right of use assets
Gross Block - Cost						
As at March 31, 2022	78.89	25.73	1.34	116.95	222.92	71.99
Additions	-	1.84	1.43	13.05	16.31	-
Deletions	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-
As at March 31, 2023	78.89	27.57	2.77	130.00	239.22	71.99
Additions	-	-	1.07	27.90	28.97	26.72
Deletions	-	-	-	-	-	-
Exchange difference	-	-	-	0.01	0.01	-
As at March 31, 2024	78.89	27.57	3.84	157.91	268.21	98.71
Depreciation						
As at March 31, 2022	77.84	25.36	1.00	101.52	205.72	4.28
Depreciation for the year	0.88	0.39	0.01	10.12	11.40	10.28
Deductions	-	-	-	-	-	-
Exchange difference	-	-	-	0.00	0.00	-
As at March 31, 2023	78.71	25.75	1.01	111.65	217.12	14.57
Depreciation for the year	-	0.78	0.81	14.26	15.85	14.07
Deductions	-	-	-	-	-	-
Exchange difference	-	-	-	0.00	0.00	-
As at March 31, 2024	78.71	26.53	1.82	125.92	232.98	28.64
Net Block						
As at March 31, 2024	0.17	1.04	2.02	32.00	35.23	70.07
As at March 31, 2023	0.17	1.82	1.76	18.35	22.10	57.42

Notes: Right of use assets represents vehicles taken on lease for employees, are accounted for in accordance with principal of Ind AS 116 "Leases" (refer note 28)

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 4 : Other intangible assets

(₹ in Lakhs)

Particulars	Computer Software	IT Platform	Intangible assets under development	Total
Cost				
As at March 31, 2022	45.00	1,713.75	-	1,758.75
Additions*	-	368.45	295.40	663.84
Deductions	-	-	(295.40)	(295.40)
As at March 31, 2023	45.00	2,082.20	-	2,127.20
Additions*	-	1,396.51	1,584.17	2,980.69
Deductions	-	-	(541.61)	(541.61)
Exchange difference	-	2.01	-	2.01
As at March 31, 2024	45.00	3,480.73	1,042.56	4,568.29
Amortisation				
As at March 31, 2022	45.00	1,528.63	-	1,573.63
Amortisation for the Year	-	98.43	-	98.43
Exchange difference	-	0.02	-	0.02
As at March 31, 2023	45.00	1,627.08	-	1,672.08
Amortisation for the Year	-	224.84	-	224.84
Exchange difference	-	0.20	-	0.20
As at March 31, 2024	45.00	1,852.12	-	1,897.12
Net Block				
As at March 31, 2024	-	1,628.61	1,042.56	2,671.17
As at March 31, 2023	-	455.12	-	455.12

*Addition to the intangible assets under development includes ESOP cost and salary cost capitalised amounting to Rs. NIL (March 31, 2023 : Rs. 275.14 Lakhs) and Rs. NIL (March 31, 2023 : 20.25 Lakhs) respectively.

Ageing for intangible assets under development as on March 31,2024:

(₹ in Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	1,042.56	-	-	-	1,042.56
Projects temporarily suspended	-	-	-	-	-

Ageing for intangible assets under development as on March 31,2023:

(₹ in Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development as at March 31, 2024 and March 31, 2023 comprises expenditure for the development of computer software i.e. IT framework.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 5 : Financial assets

5 (a) Investments

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
NON CURRENT		
A. Investment stated at cost In Equity Instruments		
a. In associates (Unquoted)		
Nighthack Technology Private Limited 820 (March 31, 2023 : Nil) equity shares of Rs. 100 each	100.00	-
Add/Less: Share in net profit/(loss) of associate	4.79	-
	104.79	-
Investment in AppiZap L.L.C-FZ 50 (March 31, 2023: NIL) equity shares of AED 1,000 each	11.36	-
Add/Less: Share in net profit/(loss) of associate	(0.08)	-
	11.29	-
B. Investment stated at Fair Value through Profit & Loss In Equity Instruments		
a. In others (Unquoted)		
GESIA IT Association 10 (March 31, 2023 : 10) equity shares of Rs. 10 each	0.00	0.00
	0.00	0.00
AutoDAP B.V. 41,400 (March 31, 2023 : 41,400) equity shares of EUR 1 each	1,439.87	1,439.87
	1,439.87	1,439.87
Nextenders India Pvt Ltd 1,36,270 (March 31, 2023 : 1,36,270) equity shares of Rs. 10 each	137.51	137.51
Add / (Less): Fair value changes	401.19	400.17
Add: Share in net profit/(loss)	(10.70)	(10.70)
	528.01	526.98
Total Investments	2,083.95	1,966.85
Aggregate amount of unquoted investments	2,083.95	1,966.85
Aggregate amount of impairment in value of investments	-	-

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

5 (b) Trade Receivables

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Trade receivables		
Unsecured, considered good	1,969.14	572.92
Total Trade Receivables	1,969.14	572.92

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) For amount dues and terms and conditions relating to related party transactions, refer note 24.

(iii) For explanation on Group's credit risk management process, refer note 29.

(iv) For trade receivables ageing schedule, refer note 35.

5 (c) Loans

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Current		
Unsecured considered good		
Loan to others	35.66	-
Total Loans	35.66	-

The above loan are unsecured, interest free , repayable on demand and the same have been given for the purpose of business.

5 (d) Cash and cash equivalents

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Balance with bank		
Current accounts	412.43	235.64
Cash on hand	1.30	1.22
Total cash and cash equivalents	413.72	236.86

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Balance with bank		
Current accounts	412.43	235.64
Cash on hand	1.30	1.22
Total cash and cash equivalents	413.72	236.86

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

5 (e) Other financial assets

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Non-current		
Security deposit	10.89	12.70
Bank deposits with original maturity of more than 12 months (including accrued interest)	1.40	5.12
	12.28	17.82
Current		
Security deposits	-	407.33
Accrued revenue	355.53	58.61
Bank deposits maturing within 12 months from reporting date	0.44	0.42
Interest accrued but not due on bank deposits	0.05	-
Interest accrued but not due on other deposits	0.14	0.14
	356.16	466.50
Total other financial assets	368.44	484.32

Fixed deposits of Rs. 1.75 Lakhs (March 31, 2023 : Rs. 5.03 Lakhs) are under lien from banks.

Financial assets by category

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortised Cost
March 31, 2024				
Investments	116.07	-	1,967.87	-
Trade receivables	-	-	-	1,969.14
Loans	-	-	-	35.66
Cash & cash equivalents	-	-	-	413.72
Other financial assets	-	-	-	368.44
Total financial assets	116.07	-	1,967.87	2,786.96

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortised Cost
March 31, 2023				
Investments	-	-	1,966.85	-
Trade receivables	-	-	-	572.92
Cash & cash equivalents	-	-	-	236.86
Other financial assets	-	-	-	484.32
Total financial assets	-	-	1,966.85	1,294.10

For Financial instruments risk management objectives and policies, refer Note 29

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment refer note 29

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 6 : Other current assets

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Current		
Advance to employee	-	3.60
Balance with government authorities	88.35	3.88
Advances to suppliers	83.01	34.24
Prepaid expenses	13.50	5.41
Other current Asset	10.32	0.18
Total	195.19	47.30

Note 7 : Non-current tax assets (net)

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Tax paid in advance (net of provision)	13.84	63.06
Total	13.84	63.06

Note 8 : Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Authorised share capital				
Equity shares of Re.1 each	15,00,00,000	1,500.00	6,00,00,000	600.00
Issued and subscribed share capital				
Equity shares of Re.1 each	13,24,65,930	1,324.66	4,39,02,060	439.02
Subscribed and fully paid up				
Equity shares of Re.1 each	13,24,65,930	1,324.66	4,39,02,060	439.02
Total	13,24,65,930	1,324.66	4,39,02,060	439.02

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

8.1. Terms/Rights attached to the equity shares

The Parent has equity shares having a par value of Re.1 per share. All equity shares rank equally with regard to dividend and share in the Parent's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Parent, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 26 regarding employee share based payments

8.2. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	4,39,02,060	439.02	3,86,53,560	386.54
Addition/ redemption :	-	-	-	-
Shares allotted pursuant to exercise of Employee Stock Option Plan	2,53,250	2.53	2,48,500	2.49
Shares issued under preferential issue	-	-	50,00,000	50.00
Shares issued as bonus to the existing shareholders	8,83,10,620	883.11	-	-
Outstanding at the end of the year	13,24,65,930	1,324.66	4,39,02,060	439.02

8.3. Number of shares held by each shareholder holding more than 5% Shares in the company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Shivben Popatbhai Sutariya	1,35,00,000	10.19%	45,00,000	10.25%
Infibeam Avenues Limited	1,23,92,460	9.36%	41,30,820	9.41%
Yogesh Sutariya	1,35,20,880	10.21%	45,06,960	10.27%
Gandhinagar Leasing And Finance	-	0.00%	38,65,356	8.80%
Avenues Infinite Private Limited	1,04,36,472	7.88%	34,78,824	7.92%
Somani Multibiz Limited	1,09,00,275	8.23%	50,00,000	11.39%
Pirimid Technologies Private Limited	1,33,70,460	10.09%	-	0.00%

Note: As per records of the Parent, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

8.4 Number of shares held by Promoters at the end of the year

Name of the promoter	As at March 31, 2024		% Change during the year
	No. of shares	% of shareholding	
Yogeshkumar Popatbhai Sutariya	1,35,20,880	10.21%	-0.06%
Shivben Popatlal Sutariya	1,35,00,000	10.19%	-0.06%
Hiten Ashwin Barchha	26,96,730	2.04%	-0.01%
Avni Hiten Barchha	5,010	0.00%	0.00%
Diyalbhai Italiya #	660	0.00%	0.00%

Name of the promoter	As at March 31, 2023		% Change during the year
	No. of shares	% of shareholding	
Yogeshkumar Popatbhai Sutariya	45,06,960	10.27%	-1.39%
Shivben Popatlal Sutariya	45,00,000	10.25%	-1.39%
Hiten Ashwin Barchha	8,98,910	2.05%	-0.28%
Avni Hiten Barchha	1,670	0.00%	0.00%
Diyalbhai Italiya #	220	0.00%	0.00%

- Promoter Group

8.5. Shares reserved for issue under options

For information relating to DRC Systems India Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period please refer to note 26

8.6. Aggregate number of equity shares issued as bonus shares during five years prior to March 31, 2024.

Year	Number of Shares
2023-24	8,83,10,620
2019-20	90,00,000

88,310,620 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising securities premium

90,00,000 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising retained earnings.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

8.7. Aggregate number of equity shares issued for a consideration other than cash during five years prior to March 31, 2024.

Year	Number of Shares
2023-24 [^]	8,83,10,620
2020-21 [*]	1,61,53,560
2019-20 [#]	90,00,000

[^] 88,310,620 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising securities premium.

^{*} 16,153,560 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up vide Scheme of Arrangement.

[#] 90,00,000 (Previous year : NIL) equity shares of Re. 1 each have been allotted as fully paid up bonus shares by capitalising retained earnings.

Note 9 : Other equity

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
General reserve		
Opening balance	1.96	-
Add: Addition on account of lapse of employee stock options	1.07	1.96
Balance at the end of the year	3.04	1.96
Capital reserve		
Opening balance	209.61	209.61
Balance at the end of the year	209.61	209.61
Securities premium		
Opening balance	2,013.16	-
Add: on exercising of employee stock options	67.46	63.16
Add: on issue of preferential shares	-	1,950.00
Less: on Issue of Bonus shares	(883.11)	-
Balance at the end of the year	1,197.51	2,013.16
Employees stock options outstanding (refer Note 26)		
Opening balance	50.24	38.43
Add : Employee compensation expense for the year	167.14	76.93
Less: Transfer to securities premium on exercise of options	(67.46)	(63.16)
Less: Reversal due to lapse of options	(1.07)	(1.96)
Balance at the end of the year	148.86	50.24

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Foreign currency monetary item translation reserve		
Opening balance	7.24	-
Add: adjustment during the year	21.67	7.24
Balance at the end of the year	28.92	7.24
Retained earnings		
Opening balance	706.27	43.56
Add: profit / (loss) for the year	1,165.40	669.41
Add / (Less): Re-measurement gains / (losses) on defined benefit plans	(1.24)	(6.70)
	1,870.44	706.27
Total	3,458.37	2,988.49

Employees stock options outstanding

The share based option outstanding account is used to recognise the grant date fair value of options issued to employees under Group's employee stock option schemes.

Retained earnings:

Retained earnings comprises of prior and current year's undistributed earnings after tax

Securities premium

Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Group may issue fully paid-up bonus shares to its Members out of the Securities Premium and the Group can use this reserve for buy-back of shares

General reserve

General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss as also on account of lapse stock options. The Group can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Note 10 : Financial liabilities

10 (a) Trade payable

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Current		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	3.24	15.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10.12	82.39
Total	13.36	97.40

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

- i. Trade payables are non-interest bearing and are normally settled on 30-90 days terms.
- ii. For disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006, refer note 31.
- iii. For explanation on Group's liability risk management process, refer note 29.
- iv. For trade payables ageing schedule, refer note 35.

10 (b) Other financial liabilities

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Non current		
Lease liability (refer note:28)	60.59	51.52
Total non current lease liabilities	60.59	51.52
Current		
Lease liability (refer note:28)	14.48	8.95
Total current lease liabilities	14.48	8.95
Employee benefits payable	116.78	111.22
Creditor for expenses	6.08	3.88
Other financial liabilities	13.05	7.22
Creditor for capital goods	1,773.40	-
Total Other financial liabilities	1,909.31	122.32
Total	1,984.38	182.79

Financial liabilities by category

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortised Cost
March 31, 2024			
Trade payable	-	-	13.36
Lease liabilities	-	-	75.07
Other financial liabilities	-	-	1,909.31
Total Financial liabilities	-	-	1,997.75

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortised Cost
March 31, 2023			
Trade payable	-	-	97.40
Lease liabilities	-	-	60.47
Other financial liabilities	-	-	122.32
Total Financial liabilities	-	-	280.19

For financial instruments risk management objectives and policies, refer Note 29

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment, refer note 29

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 11 : Provisions

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Non-Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	64.13	50.44
Total Non-Current Provisions	64.13	50.44
Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	24.35	23.32
Total Current Provisions	24.35	23.32
Total	88.48	73.76

Note 12 : Other current liabilities

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Current		
Statutory liabilities- Others	56.30	55.80
Advance from customers	12.69	0.31
Excess billing over revenue	638.68	5.09
Provision for expenses	216.91	4.83
Total	924.59	66.04

Note 13 : Revenue from operations

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Sale of services	4,768.30	2,562.52
Total	4,768.30	2,562.52

Refer note 34 "Disclosure pursuant to Ind AS 115 "Revenue from contract with customers"

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 14 : Other income

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Net foreign exchange gain	5.60	21.19
Interest Income - Bank Deposits	0.26	0.26
Interest Income - Others	4.04	0.81
Profit on sale of investment	-	0.03
Miscellaneous income	0.05	0.28
No longer payable	-	0.01
Gain on fair value of investment	1.02	400.17
Total	10.97	422.75

Note 15 : Employee benefit expense

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Salaries,wages and bonus^	1,620.47	1,105.89
Contribution to provident and other funds (refer note 23)	38.02	36.99
Share based payments to employees* (refer note 26)	167.14	56.68
Staff welfare expenses	4.17	4.09
Total	1,829.81	1,203.65
^Salaries,wages and bonus (net of capitalisation)		
Salary and wages	1,620.47	1,381.04
Less: Cost capitalised	-	(275.14)
Salaries,wages and bonus cost for the year	1,620.47	1,105.89
*Employee stock option outstanding expenses		
Share based payment expense	167.14	76.93
Less : Cost capitalised	-	(20.25)
ESOP cost for the year	167.14	56.68

Refer note 26 for Employee stock option scheme expenses

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 16 : Finance costs

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Interest expense	-	56.59
Interest expense - on statutory dues	0.05	0.27
Interest expense on right of use assets (refer note 28)	5.95	5.20
Total	6.00	62.07

Note 17 : Depreciation and amortization expense

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Depreciation on tangible assets (refer note 3)	15.85	11.40
Amortization on intangible assets (refer note 4)	224.84	98.43
Depreciation on right of use assets (refer note 3)	14.07	10.28
Total	254.76	120.12

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 18 : Other expenses

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Bank charges	5.32	1.66
Software expenses	5.89	4.11
Insurance expenses	0.47	1.00
Communication expenses	5.50	2.09
Commission expenses	3.09	6.96
Legal and consultancy expenses	43.10	123.20
Office expenses	9.05	11.64
Payments to auditors (refer note 18 (a))	6.26	3.46
Rent*	114.78	92.68
Rate and taxes	11.13	0.92
Sales Promotion Expenses	18.96	-
Advertisement expenses	1.90	1.83
Bad debts	-	8.12
Director sitting fees	4.70	5.80
Balances Written off	0.57	-
Electricity expenses	7.17	7.16
Printing & stationery expenses	0.26	0.50
Traveling expenses	11.90	5.68
Repair & maintenance expenses	2.59	4.28
Security expenses	1.92	1.67
Subscription expenses	20.82	9.74
Net foreign exchange loss	0.36	0.37
CSR Expenses (Refer Note 33)	1.51	-
Total	277.26	292.90

*Refer note 24 for "Related party transactions"

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

18 (a) Payments to auditors

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Auditor	5.19	2.24
For taxation matters	0.90	1.05
For other services	0.18	0.18
Total	6.26	3.46

Note 19 : Contingent liabilities

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Contingent liabilities not provided for		
a. Claims against Group not acknowledged as debts	-	-
b. Guarantees given by bank on behalf of the Group	-	-

Note 20 : Capital commitment and other commitments

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	625.54	-

Note 21 : Foreign exchange derivatives and exposures not hedged

A. Foreign exchange derivatives: The Group does not have any foreign exchange derivatives

B. Exposure not hedged:

Nature of exposure	Currency	As at March 31, 2024		As at March 31, 2023	
		Foreign currency	Local currency (₹ in Lakhs)	Foreign currency	Local currency (₹ in Lakhs)
Financial Assets	USD	13,98,399	1,166.18	5,46,351	445.94
	AUD	-	-	7,860	4.32
	GBP	-	-	1,19,952	121.93
	EURO	380	0.34	2,867	2.56
	SGD	200	0.12	200	0.12
	MUF	55	0.00	55	0.00

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 22 : Income tax

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Tax paid in advance (net of provision)	13.84	63.06
Total	13.84	63.06

The major component of income tax expense for the year ended March 31, 2024 and year ended March 31, 2023 are :

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Statement of Profit and Loss		
Current tax		
Current income tax	70.64	46.92
(Excess)/short provision related to earlier years	(3.64)	10.37
Deferred tax		
Deferred tax expense/ (credit)	4.09	88.82
Income tax expense reported in the statement of Profit and loss	71.09	146.11

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for year ended March 31, 2024 and year ended March 31, 2023:

A) Current tax

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Accounting profit before tax from operations	1,231.78	826.22
Enacted tax rate	25.17%	25.17%
Computed expected tax expense	310.02	207.94
Adjustment		
Effect of non-deductable expenses	(6.21)	(95.56)
(Excess)/short provision related to earlier years	(3.64)	10.37
Employee benefits payable	(3.71)	(3.36)
Income not subject to tax related to Ind AS adjustment	0.25	92.08
Excess of amortization of fixed assets under incometax law over amortization provided in accounts	7.54	0.10
Tax exempt income of foreign subsidiaries	(233.17)	(66.80)
Other adjustments	-	1.34
	71.09	146.11

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

B) Deferred tax

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)
Provision for employee benefits	22.27	18.56	(3.71)	(3.36)
Excess of depreciation/ amortisation on fixed assets in accounts over depreciation/amortisation provided under income-tax law.	6.49	14.03	7.54	0.10
Income not subject to tax related to Ind AS adjustment	(91.30)	(91.05)	0.25	92.08
Deferred tax (expense) / income			4.09	88.82
Net deferred tax assets/(liabilities)	(62.55)	(58.46)		
Reflected in the balance sheet as follows				
Deferred tax assets	-	-		
Deferred tax liabilities	(62.55)	(58.46)		
Deferred tax assets (net)	(62.55)	(58.46)		

Particulars	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)
Reconciliation of deferred tax assets / (liabilities), net		
Opening balance as of April 1	(58.46)	30.36
Tax income/(expense) during the year recognised in profit or loss	(4.09)	(88.82)
Tax income/(expense) during the year recognised in OCI	-	-
Closing balance as at March 31	(62.55)	(58.46)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 23 : Disclosure pursuant to Employee benefits

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Group has no obligations other than to make the specified contribution. The contribution is charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year is as follows:

Amount of INR 38.02 Lakhs (March 31, 2023 : Rs.36.99 Lakhs) is recognised as expenses and included in Note No. 15 "Employee benefit expense"

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Provident Fund	35.94	36.99
ESIC	2.09	
Total	38.02	36.99

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

The Group has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Group operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2024 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2024	
	April 1, 2023	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments			Sub-total included in OCI
Gratuity													
Defined benefit obligation	73.76	-	10.76	5.05	15.81	(2.32)	-	1.02	0.22	1.24	-	88.48	
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	
Benefit liability	73.76	-	10.76	5.05	15.81	(2.32)	-	1.02	0.22	1.24	-	88.48	
Total benefit liability	73.76	-	10.76	5.05	15.81	(2.32)	-	1.02	0.22	1.24	-	88.48	

March 31, 2023 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2023
	April 1, 2022	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments		
Gratuity												
Defined benefit obligation	60.40	-	8.90	3.85	12.75	(6.08)	-	(2.66)	2.81	6.70	-	73.76
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	60.40	-	8.90	3.85	12.75	(6.08)	-	(2.66)	2.81	6.70	-	73.76
Total benefit liability	60.40	-	8.90	3.85	12.75	(6.08)	-	(2.66)	2.81	6.70	-	73.76

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.20% p.a	7.40% p.a.
Future salary increase	8.00% p.a.	10.00% p.a. for next 2 years & 8.00% p.a. thereafter
Attrition rate	40% at younger ages reducing to 5% at older ages	40% at younger ages reducing to 5% at older ages
Mortality rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Retirement age	58 years	60 years

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

		(increase) / decrease in defined benefit obligation (Impact)	
Particulars	Sensitivity level	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Gratuity			
Discount rate	0.5% increase	85.99	71.80
	0.5% decrease	91.16	75.87
Future Salary increase	0.5% increase	91.12	75.84
	0.5% decrease	86.00	71.81
Withdrawal rates	10% increase	87.17	72.84
	10% decrease	89.93	74.79

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Gratuity		
Within one year	24.35	23.32
After one year but not more than five years	35.94	29.77
Beyond 5 years	22.94	18.42

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2024 (Years)	Year ended March 31, 2023 (Years)
Gratuity	6.78	6.77

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Risk Exposure

A. Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary Growth experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates :

If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

F. Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.



Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 24 : Related party disclosures.

As per the Indian Accounting Standard on "Related party disclosures" (IND AS 24), the related parties of the Group are as follows :

Name of related parties and nature of relationship :

Sr.No	Relationship	Name of company/person
1	Key Management Personnel	
	Managing Director	Hiten Barchha
	Non-Executive Chairman	Keyur Shah
	Non-executive Directors	Sanket Khemuka Jigar Shah Dipti Chitale Roopkishan Dave
	Chief financial officer (CFO) and Executive Director	Janmaya Pandya
	Company Secretary (CS)	Jainam Shah
2	Associate companies	Nextenders India Private Limited (with effect from December 01, 2022 upto March 26, 2023) Nighthack Technology Private Limited (with effect from October 27, 2023)
3	Company having significant influence	Infibeam Avenues Limited (upto September 30, 2022)
4	Entities having common director	MuGenesys Software Private Limited Infibeam Digital Entertainment Private Limited
5	Other Related Parties	AppiZap L.L.C-FZ (with effect from July 24, 2023) - (Associate of Wholly owned subsidiary) Infibeam Avenues Limited - (holding >10% in preceeding financial year) Avenues Infinite Private Limited - (holding >10% in preceeding financial year)

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Related party transactions

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Company having significant influence	Associate companies	Entities having common director	Other Related Parties	Total
Investment in equity shares							
Nextenders India Pvt Ltd	March 31, 2024	-	-	-	-	-	-
	March 31, 2023	-	-	175.00	-	-	175.00
Nighthack Technology Private Limited	March 31, 2024	-	-	100.00	-	-	100.00
	March 31, 2023	-	-	-	-	-	-
Salaries paid							
Hiten Barchha	March 31, 2024	65.00	-	-	-	-	65.00
	March 31, 2023	51.00	-	-	-	-	51.00
Janmaya Pandya	March 31, 2024	21.22	-	-	-	-	21.22
	March 31, 2023	18.34	-	-	-	-	18.34
Jainam Shah	March 31, 2024	13.57	-	-	-	-	13.57
	March 31, 2023	11.85	-	-	-	-	11.85
Directors sitting fees expense							
Director sitting fees to non-executive and independent directors	March 31, 2024	4.70	-	-	-	-	4.70
	March 31, 2023	5.80	-	-	-	-	5.80
Services taken							
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	1,426.70	1,426.70
	March 31, 2023	-	0.53	-	-	-	0.53
MuGenesys Software Private Limited	March 31, 2024	-	-	-	-	-	-
	March 31, 2023	-	-	-	36.29	-	36.29
Nighthack Technology Private Limited	March 31, 2024	-	-	94.52	-	-	94.52
	March 31, 2023	-	-	-	-	-	-
Avenues Infinite Private Limited	March 31, 2024	-	-	-	-	6.00	6.00
	March 31, 2023	-	-	-	-	-	-

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Company having significant influence	Associate companies	Entities having common director	Other Related Parties	Total
Services given							
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	141.38	141.38
	March 31, 2023	-	121.69	-	-	-	121.69
AppiZap L.L.C-FZ	March 31, 2024	-	-	-	-	1,658.40	1,658.40
	March 31, 2023	-	-	-	-	-	-
Reimbursement of expenses From - other expenses							
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	2.11	2.11
	March 31, 2023	-	0.65	-	-	-	0.65
Infibeam Digital Entertainment Private Limited	March 31, 2024	-	-	-	1.43	-	1.43
	March 31, 2023	-	-	-	0.37	-	0.37
Repayment of loan given							
Jainam Shah	March 31, 2024	-	-	-	-	-	-
	March 31, 2023	1.10	-	-	-	-	1.10
Business advance taken							
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	805.79	805.79
	March 31, 2023	-	325.00	-	-	-	325.00
Repayment of business advance taken							
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	805.79	805.79
	March 31, 2023	-	325.00	-	-	-	325.00
Rent expenses							
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	70.84	70.84
	March 31, 2023	-	35.42	-	-	-	35.42

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Company having significant influence	Associate companies	Entities having common director	Other Related Parties	Total
Closing balance							
Trade payable	March 31, 2024	-	-	1.95	-	-	1.95
Nighthack Technology Private Limited	March 31, 2023	-	-	-	-	-	-
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	2.20	2.20
	March 31, 2023	-	-	-	-	-	-
Avenues Infinite Private Limited	March 31, 2024	-	-	-	-	1.96	1.96
	March 31, 2023	-	-	-	-	-	-
Provision for expense							
Infibeam Digital Entertainment Private Limited	March 31, 2024	-	-	-	0.08	-	0.08
	March 31, 2023	-	-	-	0.08	-	0.08
Nighthack Technology Private Limited	March 31, 2024	-	-	19.51	-	-	19.51
	March 31, 2023	-	-	-	-	-	-
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	170.24	170.24
	March 31, 2023	-	-	-	-	-	-
Trade Receivables							
AppiZap L.L.C-FZ	March 31, 2024	-	-	-	-	740.64	740.64
	March 31, 2023	-	-	-	-	-	-
Accrued Revenue							
Infibeam Avenues Limited	March 31, 2024	-	-	-	-	8.05	8.05
	March 31, 2023	-	-	-	-	-	-

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables..

Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2024 (March 31, 2023 : Rs.Nil)

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 25 : Earning per share

Particulars	2023-24	2022-23
Earning per share (basic and diluted)		
Profit attributable to ordinary equity holders (₹ in Lakhs)	1,165.40	669.41
Total no. of equity shares at the end of the year	13,24,65,930	4,39,02,060
Add: Issue of Bonus shares during FY-2023-24 in the ratio of 2:1 *	-	8,78,04,120
Total no. of equity shares at the end of the year	13,24,65,930	13,17,06,180
Weighted average number of equity shares		
For basic EPS	13,19,59,430	12,22,86,172
For diluted EPS	13,38,70,077	12,32,69,317
Nominal value of equity shares	1.00	1.00
Basic earning per share	0.88	0.55
Diluted earning per share	0.87	0.54
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	13,19,59,430	12,22,86,172
Effect of dilution: Employee stock options	19,10,647	9,83,146
Weighted average number of equity shares adjusted for the effect of dilution	13,38,70,077	12,32,69,317

* Since the bonus issue is an issue without consideration, the bonus issue is treated as if it had occurred prior to the beginning of the year FY-2023-24, the earliest period reported.

Note 26: Share based payments

Employee stock option (ESOP) scheme (2021-22):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on August 27, 2021 read with Special Resolution passed by shareholder of the parent at the extra ordinary general meeting held on September 28, 2021. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled in demat mode. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Re 1 which is 93% to 98% below the market price at the date of grant.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Scheme	ESOP Scheme 2021-22		
Date of grant	April 01, 2023	October 01, 2023	October 01, 2022
Number of options granted	22,800	5,51,500	3,00,750
Exercise price per option	1.00	1.00	1.00
Vesting requirements	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.
Exercise period	1 year - 5 years	1 year - 5 years	1 year - 5 years
Method of settlement	Demat mode	Demat mode	Demat mode

The following table sets forth a summary of the activity of options:

Particulars	2023-24 ESOP Scheme 2021-22	2022-23 ESOP Scheme 2021-22
Options		
Outstanding at the beginning of the year	3,40,000	3,03,250
Granted during the year	5,74,300	3,00,750
Exercised during the year	(2,53,250)	(2,48,500)
Lapse during the year	(8,000)	(15,500)
Outstanding at the end of the year-Pre-Bonus	6,53,050	3,40,000
Outstanding at the end of the year-Post-Bonus *	19,59,150	-
Exercisable at the end of the year	19,59,150	3,40,000

* In view of Bonus shares issued by the Company in the ratio of 2:1, the outstanding stock options as on the record date of Bonus are being entitled to bonus and hence the post bonus effect is considered for outstanding stock options as at March 31, 2024

Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
Employee Stock option plan	167.14	56.68
Total employee share based payment expense	167.14	56.68

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

The fair value of the share based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Particulars	2023-24		2022-23
	April 01, 2023	October 01, 2023	October 01, 2022
Option grant date	April 01, 2023	October 01, 2023	October 01, 2022
Weighted average share price**	46.47	40.98	27.55
Exercise price	1	1	1
Expected volatility	77.31%	77.31%	56.71%
Expected life (years)	1.50	1.50	1.50
Dividend yield	NIL	NIL	NIL
Risk-free interest rate (%)	6.98%	7.08%	7.22%
Fair market value share	46.29	40.80	26.95
Weighted average remaining contractual life (Years)	2	2	2

**Pre Bonus Price

Note 27 : Segment reporting

Based on the "management approach" as defined in Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Group operates in one business segment, which is primarily related to Software development, maintenance and other ancillary services.

A) Geographical Information

Segment revenue is analysed based on the location of customers regardless of where the services are provided from. The following provides an analysis of the Groups' sales by Geographical Markets. For management purpose, the Group operates in three principal geographical areas of the world, in India, in UAE and other countries. As the Group does not operate in more than one business segment, disclosures for primary segment as required under Ind AS 108 have not been given.

B) Unallocated items

Domestic geographical segment includes certain assets which are common to both the geographical segment (i.e. Domestic and Export). Non-current assets exclude financial instruments, deferred tax assets and tax assets.

C) Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(₹ in Lakhs)

Particulars	Year ending	India	UAE	Others	Total
Revenue from operations	31-03-2024	1,333.17	2,959.12	476.01	4,768.30
	31-03-2023	1,299.62	335.11	927.80	2,562.52
Carrying amount of segment non-current assets*	31-03-2024	1,461.85	1,970.98	1,439.87	4,872.69
	31-03-2023	1,007.64	71.80	1,439.87	2,519.31

* The carrying amount of Non Current Assets which do not include Deferred Tax Asset, Income Tax Assets. Financial Assets analysed the geographical area in which the Assets are located.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 28 : Lease

A. Operating Lease - current

The Group has taken commercial premises under operating leases. The leases period is of less than 1 year. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognized as an expense in the Statement of Profit and Loss during the year is INR 114.78 Lakhs (previous year INR 92.68 Lakhs)

B. Operating Lease - non-current

The Group's lease asset primarily consist of leases of vehicles having the various lease terms. Accordingly, the Group has adopted IND AS 116 "Leases" to all lease contracts.

Following is carrying value of right of use assets recognised and the movements thereof during the year ended March 31, 2024 and March 31,2023 :

Particulars	Right of use assets	
	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Opening Balance	57.42	67.70
Additions during the year	26.72	-
Deletion during the year	-	-
Depreciation of right of use assets (refer note 3)	14.07	10.28
Closing balance	70.07	57.42

The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2024 and March 31, 2023 :

Particulars	Lease Liability	
	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Opening Balance	60.47	68.73
Additions during the year	26.72	-
Finance cost accrued during the year (refer note 16)	5.95	5.20
Deletions	-	-
Payment of lease liabilities	(18.07)	(13.46)
Closing balance	75.07	60.47
Current maturities of lease liability (refer note 10)	14.48	8.95
Non-Current lease liability (refer note 10)	60.59	51.52

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

The following are the amounts recognised in statement of profit & loss :

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Depreciation of right of use assets (refer note 3)	14.07	10.28
Interest on lease obligation (refer note 16)	5.95	5.20
Total	20.02	15.48

The Group had total cash out flows for leases of Rs. 18.07 Lakhs in the current year (year ended March 31, 2023 Rs. 13.46 Lakhs). The entire amount is in the nature of fixed lease payments. The Group had non-cash addition to right of use assets of Rs 26.72 Lakhs in the current year (year ended March 31, 2023 Rs.NIL) and lease liabilities of Rs. 26.72 Lakhs in the current year (year ended March 31, 2023 Rs. NIL) on account of acquisition of right to use assets.

The weighted average incremental borrowing rate applied to lease liabilities is 8%

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 29 : Financial instruments – fair values and risk management

A. Accounting classification and fair values

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

As at March 31, 2024

(₹ in Lakhs)

Particulars	Carrying amount			Total	Fair value			Total
	Amortised Cost	Fair value through			Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
		Other comprehensive income	Profit and loss					
Financial assets								
Non current investments	116.07	-	1,967.87	2,083.95	-	1,967.87	116.07	2,083.95
Other non-current financial asset	12.28	-	-	12.28	-	-	12.28	12.28
Total	128.35	-	1,967.87	2,096.23	-	1,967.87	128.36	2,096.23
Financial liabilities								
Other financial liabilities - non current	60.59	-	-	60.59	-	-	60.59	60.59
Total	60.59	-	-	60.59	-	-	60.59	60.59

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

As at March 31, 2023

(₹ in Lakhs)

Particulars	Carrying amount			Total	Fair value			Total
	Amortised Cost	Fair value through			Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
		Other comprehensive income	Profit and loss					
Financial assets								
Non current investments	-	-	1,966.85	1,966.85	-	1,966.85	0.00	1,966.85
Other non-current financial asset	17.82	-	-	17.82	-	-	17.82	17.82
Total	17.82	-	1,966.85	1,984.67	-	1,966.85	17.82	1,984.67
Financial liabilities								
Other financial liabilities - non current	51.52	-	-	51.52	-	-	51.52	51.52
Total	51.52	-	-	51.52	-	-	51.52	51.52

The management assessed that cash and cash equivalents, other bank balances, loans, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Level 2 - Valuation technique and significant observable inputs for assets and liabilities

The fair values of the unquoted non current investment have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk &
- Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of these operations include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

Financial instruments and cash deposits

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with group's policy. Investment of surplus funds are primarily made in Liquid/Short Term Plan of Mutual Funds and in Bank Deposits which carry a high external rating.

Trade receivables

Trade receivables of the group are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which group grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

Particulars	Carrying amount as at	
	March 31, 2024 (₹ in Lakhs)	March 31, 2023 (₹ in Lakhs)
Domestic	1,025.92	207.22
Other regions	943.22	365.70
Total	1,969.14	572.92

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Particulars	Carrying amount as at					
	March 31, 2024 (₹ in Lakhs)			March 31, 2023 (₹ in Lakhs)		
	Gross	Less: Provision	Net	Gross	Less: Provision	Net
Less than six months	1,767.28	-	1,767.28	556.94	-	556.94
More than six months	201.86	-	201.86	15.99	-	15.99
Total	1,969.14	-	1,969.14	572.92	-	572.92

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at March 31, 2024 and March 31, 2023.

ii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	Less than 1 Year	More than 1 Year
Year ended March 31, 2024		
Trade payables	13.36	-
Other financial liabilities	1,923.80	60.59
Total	1,937.16	60.59
Year ended March 31, 2023		
Trade payables	97.40	-
Other financial liabilities	131.27	51.52
Total	228.68	51.52

iii. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Group does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, AUD and GBP rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

	Change in USD rate	Effect on profit before tax
March 31, 2024	+5%	58.31
	-5%	(58.31)
March 31, 2023	+5%	22.30
	-5%	(22.30)

(₹ in Lakhs)

	Change in GBP rate	Effect on profit before tax
March 31, 2024	+5%	-
	-5%	-
March 31, 2023	+5%	6.10
	-5%	(6.10)

(₹ in Lakhs)

	Change in AUD rate	Effect on profit before tax
March 31, 2024	+5%	-
	-5%	-
March 31, 2023	+5%	0.22
	-5%	(0.22)

(₹ in Lakhs)

	Change in EUR rate	Effect on profit before tax
March 31, 2024	+5%	0.02
	-5%	(0.02)
March 31, 2023	+5%	0.13
	-5%	(0.13)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed plus variable rate borrowings.

Equity price risk management

The Group's exposure to equity price risk arises from investment held by the Group and classified as FVTPL. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 30 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Interest-bearing loans and borrowings	-	-
Less: cash and cash equivalent (including other bank balance) (Note 5)	413.72	236.86
Net debt	(413.72)	(236.86)
Equity share capital (Note 8)	1,324.66	439.02
Other equity (Note 9)	3,458.37	2,988.49
Total capital	4,783.03	3,427.51
Capital and net debt	4,369.31	3,190.65
Gearing ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

Note 31 : Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' (the MSME Act) accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 has been made in the financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date.

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Particulars	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
Dues remaining unpaid to any supplier as at the end of accounting year:		
Principal	3.24	15.01
Interest on the above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

On basis of information and records available with the Group, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, which have been registered with the relevant competent authorities. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Group for this purpose.

Note 32 : Transfer Pricing

The Group's transactions with associated enterprises are at arm's length. Management believes that Group's domestic transactions with associated enterprises post March 31, 2024 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for the taxation at the period end.

Note 33 : Corporate Social Responsibility (CSR) Activities :

- The Group is required to spend Rs. 1.50 Lakhs (Previous Year Rs. NIL) on CSR activities.
- Amount spent during the year on:

(₹ in Lakhs)

Description	2023-24			2022-23		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i. Construction / Acquisition of an Assets	-	-	-	-	-	-
ii. Contribution to Trust/ Universities	1.51	-	1.51	-	-	-
iii. On Purposes other than above	-	-	-	-	-	-
c. Shortfall at the end of the year	-	-	-	-	-	-
d. Total of previous years shortfall	-	-	-	-	-	-
e. Reason for shortfall	Not Applicable			Not Applicable		
f. Nature of CSR activities undertaken by the company	Providing food items, Plantation medical and other social activities under Swachh Bharat Abhiyan			Not Applicable		
g. Details of related party transaction	NIL			Not Applicable		

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 34 : Disclosure pursuant to Ind AS 115 “Revenue from contract with customers” :

a. Disaggregation of revenue

The table below presents disaggregated revenue from contract with customers for the year ended March 31, 2024 and March 31, 2023 by offerings.

i. Revenue by offerings

Particulars	For the year ended March 31, 2024 (₹ in Lakhs)	For the year ended March 31, 2023 (₹ in Lakhs)
IT and IT enabled services	4,768.30	2,562.52
Total	4,768.30	2,562.52

IT and IT enabled services

It comprises of web & mobile app development, maintenance, testing and related ancillary services

ii) Refer note 27 for disaggregation of revenue by geographical segments

iii) The Group believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors.

b. Transaction price allocated to remaining performance obligation

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2024 is INR 638.68 Lakhs (March 31, 2023: INR 5.09 Lakhs) which is expected to be recognized as revenue within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revalidations, and adjustments for currency.

c. Changes in contract assets are as follows

Particulars	For the year ended March 31, 2024 (₹ in Lakhs)	For the year ended March 31, 2023 (₹ in Lakhs)
Balance at the beginning of the year	58.61	54.60
Revenue recognised during the year	355.53	58.61
Invoices raised during the year	(58.61)	(54.60)
Balance at the end of the year	355.53	58.61

d. Changes in unearned and deferred revenue are as follows:

Particulars	For the year ended March 31, 2024 (₹ in Lakhs)	For the year ended March 31, 2023 (₹ in Lakhs)
Balance at the beginning of the year	5.09	8.24
Revenue recognised that was included in the excess billing over revenue at the beginning of the year	(4.85)	(7.91)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	638.44	4.77
Balance at the end of the year	638.68	5.09

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 35 : Ageing schedule

a. Trade receivables ageing schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	1,767.28	-	201.86	-	-	1,969.14

As at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	556.94	3.32	12.53	0.14	-	572.92

b. Trade payables ageing schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	3.24	-	-	-	-	3.24
Others	10.12	-	-	-	-	10.12
Total	13.36	-	-	-	-	13.36

As at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	15.01	-	-	-	-	15.01
Others	82.39	-	-	-	-	82.39
Total	97.40	-	-	-	-	97.40

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 36 : Additional regulatory information

A. Analytical ratios

Ratios	Numerator	Denominator	As on March 31, 2024	As on March 31, 2023	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.03	4.16	-75%	Decrease due to increase in current liabilities in current year
Debt equity ratio	Borrowings	Total Equity	-	-	-	NA
Debt service coverage ratio	EBITDA	Interest + Principal	-	-	-	NA
Return on equity ratio	EBIT	Total Assets less Total Liabilities	25.98%	25.60%	1%	There is no significant variance
Net capital turnover ratio	Income from Operations	Average Working Capital (Current Assets less Current Liabilities)	8.75	3.35	161%	Due to decrease in average working capital as well as increase in revenue from operations in current year
Net profit ratio	Net Profit	Total Income	24.38%	22.42%	9%	There is no significant variance
Trade receivables turnover ratio	Income from Operations	Average Trade Receivables	3.75	4.38	-14%	There is no significant variance
Trade payables turnover ratio	Contracting Expenses	Average Trade Payables	21.30	9.86	116%	Improvement in view of better working capital management.
Return on capital employed	EBIT	Total Assets less Current Liabilities	25.00%	24.46%	2%	There is no significant variance
Inventory Turnover Ratio	NA	NA	NA	NA	NA	NA
Return on investment	Income generated from investments	Average Investments	0.00%	0.00%	-	No Income generated from Investments during the year

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

B. Others

1. There are no proceedings that have been initiated or pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
2. The Group has not been declared wilful defaulter by any bank or financial institution or other lender.
3. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.
4. Utilisation of Borrowed funds and share premium;

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries"); or
- ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group 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 company shall

- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5. Undisclosed Income : The Group do not have any transaction 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). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.
6. Details of Crypto Currency or Virtual Currency : The Group has neither traded nor invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2024. Further, the Group has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

7. Title deeds of Immovable Property not held in name of the Group

The group does not hold any immovable property not held in the name of the group.

8. Details of Relationship with Struck off Companies

As at March 31, 2024:

The group does not have closing balances with struck off companies at at March 31,2024

As at March 31, 2023:

The group does not have closing balances with struck off companies at at March 31,2023

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

Note 37 : Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

(₹ in Lakhs)

Name of the entity in the group	Net assets i.e. total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
DRC Systems India Limited	68.92%	3,296.69	-2.74%	(31.93)	100.00%	(1.24)	-2.85%	(33.17)
Subsidiary								
Foreign								
DRC SYSTEMS EMEA L.L.C-FZ (with effect from July 06, 2022)	29.14%	1,393.57	94.79%	1,104.66	0.00%	-	94.89%	1,104.66
DRC Systems USA LLC (with effect from July 17, 2023)	1.84%	88.07	7.55%	87.96	0.00%	-	7.56%	87.96
Associates								
Nighthack Technology Private Limited (with effect from October 27, 2023)	0.10%	4.79	0.41%	4.79	0.00%	-	0.41%	4.79
AppiZap L.L.C-FZ (with effect from July 24, 2023)	0.00%	(0.08)	-0.01%	(0.08)	0.00%	-	-0.01%	(0.08)
Total	100%	4,783.03	100%	1,165.40	100%	(1.24)	100%	1,164.17

Note 38 : Investment in associate

During the year, the Group had acquired 45.05% equity stake in Nighthack Technology Private Limited. The following table depicts the summarised financial information of the Group's investment in associates.

(₹ in Lakhs)

Particulars	Nighthack Technology Private Limited (with effect from October 27, 2023)		AppiZap L.L.C-FZ (with effect from July 24, 2023)		Nextenders India Private Limited (with effect from December 01, 2022 upto March 26, 2023)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Summarised Balance Sheet						
Current Assets	177.55	-	33.93	-	-	-
Non-Current Assets	33.06	-	1481.27	-	-	-
Current Liabilities	51.60	-	1492.64	-	-	-
Non-Current Liabilities	7.57	-	-	-	-	-
Equity	151.43	-	22.57	-	-	-
Proportion of the Group's ownership	45.05%	-	50.00%	-	-	18.34%
Carrying amount of investment	104.79	-	11.29	-	-	526.98

Notes

To the consolidated financial statements for the year ended March 31, 2024 (continued)

(₹ in Lakhs)

Particulars	Nighthack Technology Private Limited (with effect from October 27, 2023)		AppiZap L.L.C-FZ (with effect from July 24, 2023)		Nextenders India Private Limited (with effect from December 01, 2022 upto March 26, 2023)	
	October 27, 2023 to March 31, 2024	March 31, 2023	July 24, 2023 to March 31, 2024	March 31, 2023	March 31, 2024	December 1, 2022 to March 26, 2023
Revenue	126.59	-	-	-	-	220.52
Cost of sale	-	-	-	-	-	-
Purchases of stock-in-trade	(0.89)	-	-	-	-	-
Employee benefit expense	(67.35)	-	-	-	-	(146.70)
Finance cost	-	-	-	-	-	(9.35)
Depreciation	(2.21)	-	-	-	-	(20.00)
Other Expenses	(45.53)	-	(0.16)	-	-	(90.29)
Profit / (Loss) before tax for the year	10.63	-	(0.16)	-	-	(45.83)
Other Comprehensive Income / (Loss)	-	-	-	-	-	-
Total comprehensive profit / (loss) for the year	10.63	-	(0.16)	-	-	(45.83)
Proportion of the Group's ownership	45.05%	0.00%	50.00%	0.00%	0.00%	23.34%
Group's share of profit / (loss) for the year	4.79	-	(0.08)	-	-	(10.70)

Note 39 : Previous year figures have been regrouped or recast wherever necessary to present them more appropriately with those of the current year

As per our report of even date

For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

For and on behalf of the board of directors of
DRC Systems India Limited
CIN: L72900GJ2012PLC070106

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: May 21, 2024

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: May 21, 2024

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: May 21, 2024

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: May 21, 2024

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: May 21, 2024





Contact Us

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