



## R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number: L74899DL1993PLC053579  
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]  
C-40, Sector-59, NOIDA, Dist. Gautam Budh Nagar, U.P., India – 201 307

Phones: +91-120-4303500  
Fax: +91-120-4082699

Email: [rsil@rsystems.com](mailto:rsil@rsystems.com)  
[www.rsystems.com](http://www.rsystems.com)

Regd. Off.: GF-1-A, 6, Devika Tower,  
Nehru Place, New Delhi- 110019

REF: SECT/05/2024/10

DATE: MAY 17, 2024

To, The Managing Director <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051  NSE Symbol - RSYSTEMS	To, The General Manager <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001  BSE Scrip Code – 532735
---	---

Dear Sir,

**SUB: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2023  
ALONG WITH THE NOTICE CONVENING 30<sup>TH</sup> ANNUAL GENERAL MEETING**

We wish to inform you that the 30<sup>th</sup> Annual General Meeting (“AGM”) of the Members of R Systems International Limited (“Company”) is scheduled to be held on Thursday, June 13, 2024, at 9:30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Accordingly, pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed (as Annexure I) the copy of the Annual Report of the Company comprising of Directors' Report, Corporate Governance Report, Management's Discussion and Analysis, Secretarial Audit Report, Risk Management Report, Business Responsibility and Sustainability Report, Auditors Report, Financial Statements, Notice for 30<sup>th</sup> AGM and other documents and information as required in the terms of the Listing Regulations and other applicable provisions, for the financial year ended December 31, 2023.

Declaration in respect of unmodified opinion on Audited Financial Statements for the financial year ended on December 31, 2023 under Listing Regulations is also enclosed as Annexure -II for your reference.

Trust you would find the above in order and take the same on your record.

This is for your information and record.

Thanking you.

Yours faithfully,

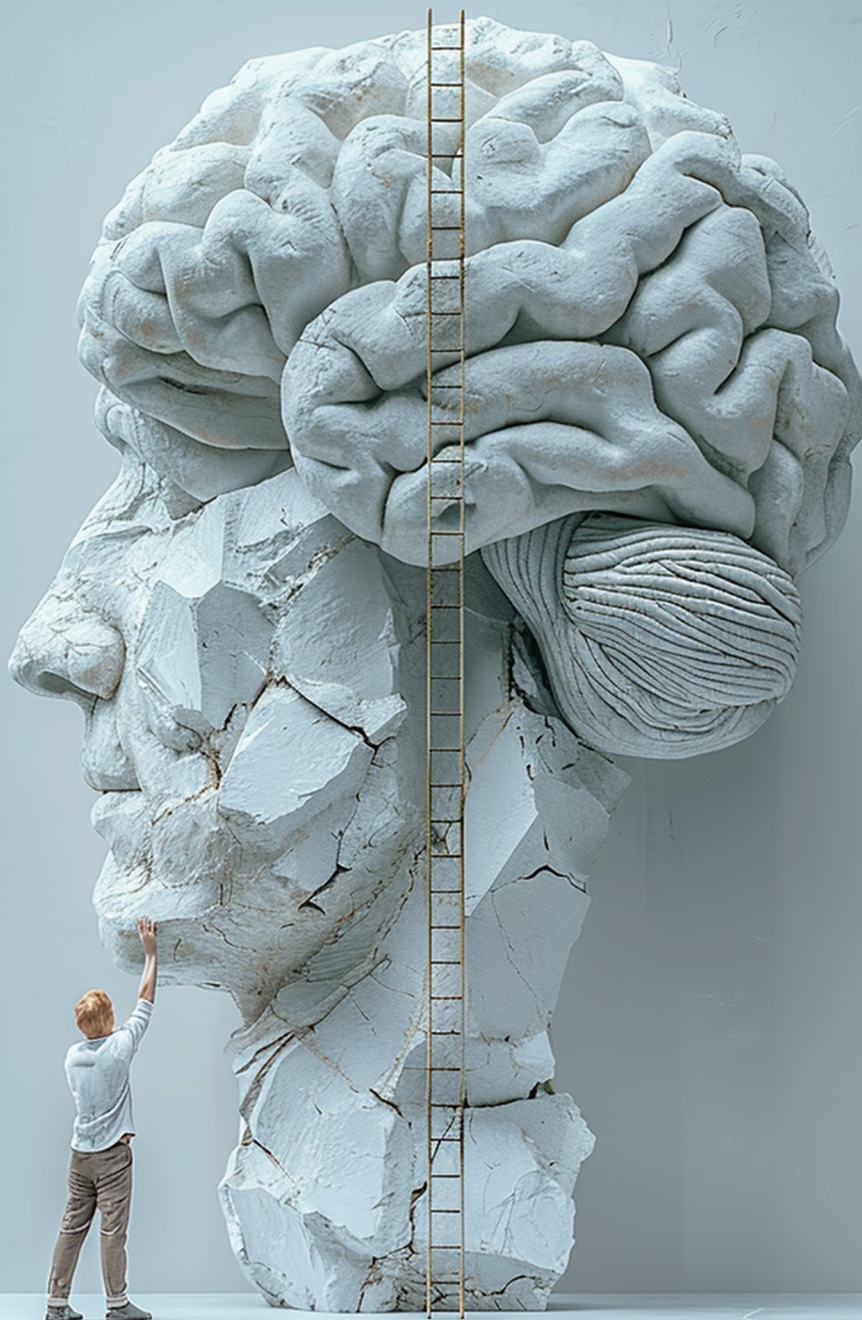
**For R Systems International Limited**

**Bhasker Dubey**  
**(Company Secretary & Compliance Officer)**

# GEN AI

## REVOLUTIONIZING DIGITAL ENGINEERING & ENTERPRISE IT SOLUTIONS

ANNUAL REPORT 2023



# 04-27

## CORPORATE OVERVIEW

- 04 – Managing Director and CEO's message
- 06 – Who we are
- 08 – Financial Highlights FY2023
- 09 – Our Global Delivery Capability
- 10 – What we do
- 12 – Navigating the Generative AI Revolution: Impact and Opportunities in Data, Cloud, and Automation
- 14 – Our Offerings and Services
- 16 – Empowering digital transformation journeys across sectors
- 18 – Digitally empowering customers
- 20 – Our people
- 22 – Enabling change, impacting lives
- 25 – Awards and Certifications
- 26 – Corporate Information

# 28-131

## STATUTORY REPORTS

- 28 – Directors' Report
- 42 – Corporate Governance Report
- 65 – Management Discussion and Analysis Report
- 81 – Business Responsibility and Sustainability Report
- 126 – Risk Management Report

# 132-254

## FINANCIAL STATEMENTS

- 134 – Standalone Financial Statements
- 190 – Consolidated Financial Statements

# 255-264

## Notice

- 255 – Notice of the Thirteenth Annual General Meeting

## KEY NUMBERS

**4100+**  
Workforce

**300+**  
Active Clients

**204** million US\$  
Revenue



At R Systems, our dedication to Product Engineering Services is at the core of our operations. What sets us apart is our unique approach to prioritising the practical application of technology to address real-world challenges effectively. It enables us to swiftly craft domain-specific solutions, reference architectures, tools, frameworks and accelerators in the shortest possible time – thereby resulting in immense value creation for our clients.

**Nitesh Bansal**  
Managing Director & CEO



Scan the QR Code to view the report online



To know more about the company, log on to [rsystems.com](https://rsystems.com)

# CONTENTS

## Forward-Looking Statement

This document contains statements about expected future events, financial and operating results of R Systems International Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed or implied in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in R Systems International Limited Annual Report 2023.

# GEN AI

## REVOLUTIONIZING DIGITAL ENGINEERING & ENTERPRISE IT SOLUTIONS

**Technology today is no longer just an enabler, rather a catalyst for exponential growth and business differentiation. Leveraging disruptive technologies such as large language models (LLM) based generative AI (Gen AI) to create new possibilities in digital product engineering and enterprise IT solutions is core to our mission.**

At R Systems, Gen AI forms a pivotal block of our digital product engineering services. Embedding Gen AI capability into clients software products or building specific enterprise IT use cases that accelerate their digital transformation – delivering accuracy, speed and highly personalized experiences.

We realize the infinite advantage of gen AI in streamlining operations, improving product development, and redefining customer experiences. For us, it presents exciting opportunities to design and deliver unique digital experiences for clients. Our advanced IT solutions have enhanced operational efficiency by automating business processes and reducing time-to-market for digital products. At the same time, it has accelerated product development and created personalized experiences to meet evolving consumer expectations.

Our early quests to incorporate Gen AI to revolutionize digital engineering have redefined enterprise IT. From cloud solutions to data analytics, and infrastructure management, it has illustrated a transformative impact on our client KPIs. Gen AI integrations have also crafted engaging, responsive, and highly engaging digital platforms, and solutions that elevate customer experiences like never before. Gen AI has played a significant role in promoting sustainable development by creating energy-efficient algorithms and technologies that reduce carbon footprint in various industries, including digital engineering and IT services.

As we move ahead, we stand at the precipice of this digital leap, making significant strides through the strategic application of Gen AI. Our annual report reflects our relentless pursuit of technological excellence and a window into the future we are shaping with our clients. It details our milestones in sculpting the craft of digital engineering and our role in revolutionizing enterprise IT. In the following pages, you will discover our differentiated strategy, bolstered by Blackstone's unwavering support, consistent financial performance, and sustainable initiatives. Come, explore this journey with us, where each step is a leap towards a cognitive, assisted, and more efficient world.

Together with our clients and partners, we are not just witnessing change; we are driving the change. We invite you to read this report as we unveil the advancements that define R Systems and join us in celebrating a year of achievements and the boundless opportunities that await us.



# Managing Director and CEO's message

## Looking back on a year of transformation and growth



### Dear Stakeholders,

On behalf of the entire team at R Systems, I am pleased to present our Annual Report for FY 2023. It has been a year of significant transformation, marked by our strategic partnership with Blackstone, the acquisition of Velotio, and a renewed focus on industry-aligned solutions.

We were recently recognized as one of Dun & Bradstreet's Top 500 Value Creators in India for 2023. This honor is a reflection of our unwavering commitment to creating value. It exemplifies our constant pursuit of innovation and excellence in all aspects of our business.

### Strategic Realignment and Growth

During the year gone by, we have successfully realigned our operations and strategically embarked on a digital transformation drive for our top clients. With deep understanding of the digital ecosystem and challenges faced by our clients, we continued to engineer innovative solutions that enabled our clients to stay ahead of the curve. While the investment from Blackstone and the Velotio integration has enabled us to drive performance and ensure client success, it has also offered us the edge to introduce new digital offerings.

The acquisition of Velotio has also strengthened our engineering capabilities in Cloud, DevOps, Data Engineering, Media, & Storage technologies and provides us access to an additional top-tier talent ecosystem in India. Looking ahead, we remain focused on powering tech innovations to shape a dynamic digital environment.

### Leveraging change through Generative AI solutions

Our company specializes in harnessing the power of Generative AI (Gen AI) to revolutionize digital engineering and enterprise IT solutions. Our services and solutions already integrate the power of language model (LLM)-based Gen AI to accelerate our clients' digital transformations. With Gen AI forming a pivotal block for our digital product engineering services and serving as a multiplier for enterprise solutions, we empower our clients to achieve exceptional efficiency and exponential growth. Our advanced IT solutions, fuelled by Gen AI, streamline operations, improve product development, and redefine customer experiences across various industries including Technology, Healthcare, Telecom & Media, Fintech, EdTech, Retail, Enterprise SaaS, Manufacturing, and Logistics. We strive to empower our clients' products to be more effective, intelligent, captivating, and personalized for their users. We integrate Gen AI capabilities into our cloud solutions to help our clients optimize the total cost of ownership (TCO) of their cloud initiatives. At R Systems, we are committed to sculpting the craft of digital engineering and revolutionizing enterprise IT with the strategic application of Gen AI, ensuring sustainable development and optimization of resources across organizations.

### Product Engineering Services

At R Systems, our dedication to Product Engineering Services is at the core of our operations. What sets us apart is our unique approach to prioritising the practical application of technology to address real-world challenges effectively. It enables us to swiftly craft domain-specific solutions, reference architectures, tools, frameworks and accelerators in the shortest possible time – thereby resulting in immense value creation for our clients.

We have invested in specialized innovation labs dedicated to

exploring emerging domains such as cloud technologies, AI, and customer experience (CX/UX), furthering our commitment to staying ahead of the curve. A recent collaboration with one of the most prestigious colleges in India, IIT-Delhi, has resulted in the establishment of a joint center for research and innovation in applied AI and Gen AI.

### Financial Performance

In the 2023 financial year, we achieved remarkable financial performance, with a revenue of over INR 16,800 million showcasing an impressive EBITDA margin of 15.7% (14.7% margin net of one-time fee). Our net profit for the year stands at INR 1,401 million. These results reflect the hard work and dedication of our team. Despite challenges arising from macroeconomic shifts, our order book remained robust. We continue to witness strong demand for our digital services, driven by technologies such as Gen AI, RPA, cloud, IoT, mobility and analytics, all of which cater to specific client requirements.

### A Commitment to People and Culture

At R Systems, we believe that our achievements are pivoted to a team of extraordinary people. Their talent, expertise and dedication enable us to climb the ladder of success consistently. We have been recently honoured as a 'Great Place to Work' and all our offices spread across ten countries have been felicitated by this recognition. It also reiterates our commitment to building a vibrant work culture that prioritizes employee well-being, professional growth, and continuous learning. We take great pride in acknowledging and appreciating employee performances and strive to create an inclusive working environment where every individual feels valued and respected.

### Fulfilling our social responsibility

Corporate Social Responsibility (CSR) is an integral part of our corporate

culture. We believe in giving back to the community. Our CSR projects focus on making a positive difference to people's lives. We prioritize issues such as Education, Research and Development, women empowerment, livelihood generation, health, and community development to make a lasting change in society.

### Looking Ahead

As we move forward, I am confident that R Systems is well-positioned for continued success and growth. We live in a digitally connected world and our expectations as a consumer are shaped by the digital experiences we have. This creates an imperative for the digital product companies to rapidly integrate more real-time intelligence into their products to shape the user journeys while at the same time challenges enterprises to design day to day processes with more efficiency and experience in mind. Our customers are some of the leading digital and tech enterprises across industries that are shaping these trends and expect us as their partners to enable them. This is what our customers have relied upon us to deliver for over 3 decades. We continue to invest in tools, technologies and enablement of our workforce to remain ahead of the curve, to dive deeper into realms of advanced technologies to remain at the forefront of serving our customers even better.

Thank you for your continued support.

Sincerely,  
**Nitesh Bansal**  
Managing Director & CEO

# Who we are

Over the past three decades, we have established a reputation as a leading digital product engineering Company. We design and develop from embedded systems to cloud native software products and platforms that amplify digital experiences.

Our expertise in developing innovative digital solutions has enabled us to empower enterprises with pioneering solutions for digitizing entire value chains. Specializing in Cloud, Data, AI, and CX, we offer differentiated and customized solutions to our diverse clientele.

## Our Purpose

**Our purpose is to enhance the human experience through technology**



### Belief

With a steadfast 'product mindset,' we possess the expertise to design, develop, and manage world-class digital platforms and products.



### Vision

To enable independent software vendors (ISVs) and enterprises to craft innovative human experiences through purposeful digital engineering from embedded systems to cloud.



### Mission

Our mission is to guide ISVs and enterprises across industry verticals to engineer and utilize connected products and platforms that deliver meaningful and immersive digital experiences for users. We serve our clients to leverage the power of AI, Automation, Cloud, Data, and Analytics to continuously digitize their value chain and improve the operational efficiency of their businesses.

## Our Values



### Integrity

Our team upholds unwavering integrity, ensuring trust and transparency in every interaction.



### Humility

We listen, learn, and lead with a profound respect for diverse perspectives, and experiences.



### Curiosity

Our employees' relentless quest for knowledge drives innovation and excellence in all we do at R Systems.

## Our strategic Objectives



### AI-Automation First

The integration of these advanced technologies sets us apart, making our products more intelligent, adaptable, and future-ready.



### Best in Class Talent across geographies

Our global ensemble possesses best-in-class product engineering minds, transcending borders to shape the future.



### Scale with Agility

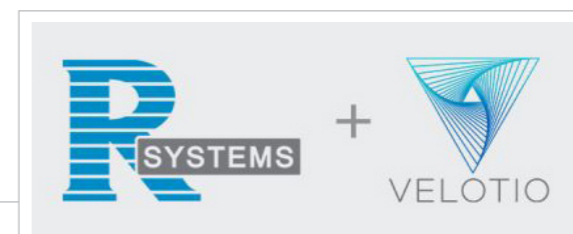
As 'large' as it takes to offer a comprehensive spectrum of digital engineering, yet as 'nimble' as needed to offer tailored solutions with a personal touch.



### Performance Engineering

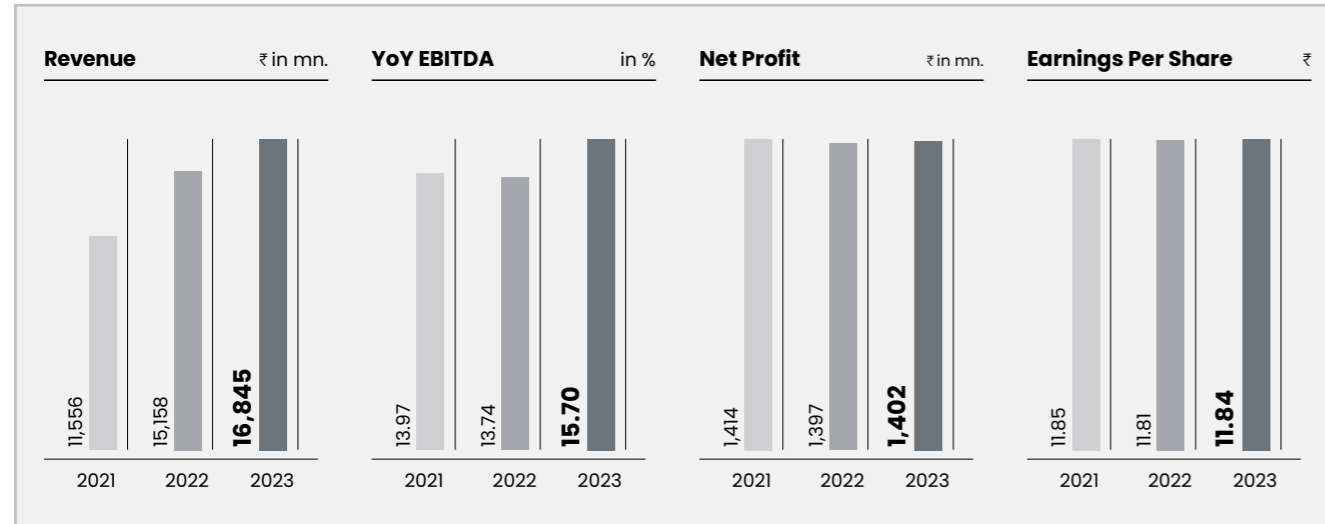
We engineer with a relentless pursuit of excellence, ensuring products that are not just functional but high on performance.

## Industries we serve



We acquired Velotio, a leading product Engineering and Digital Solutions company in July 2023. The Velotio team of over 300 engineers, have built over 110 transformational digital products for global customers including Fortune 500 companies and NASDAQ-listed enterprises. We are looking forward to achieve significant milestones together.

# Financial Highlights FY2023



# Performance highlight

**4100+**  
Workforce

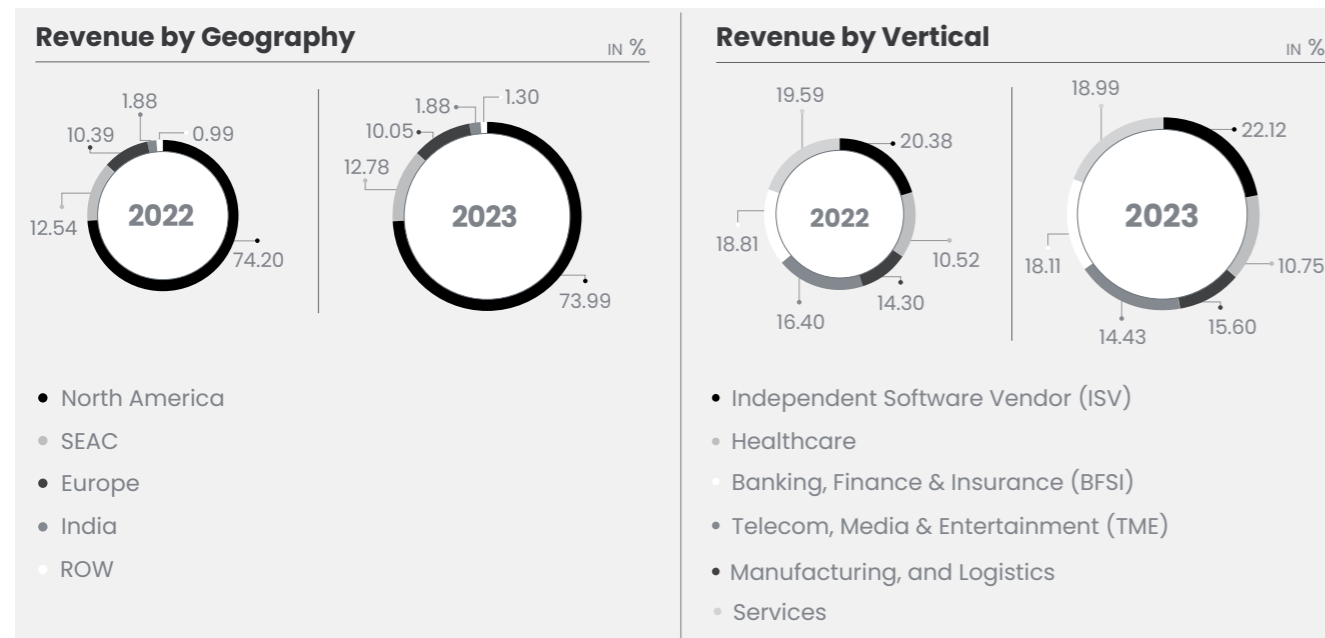
**300+**  
Active Clients

**OVER 85%**  
Repeat Business

3+ million USD Customer 6  
1+ million USD Customer 46

**204** MILLION US\$  
Revenue

**17** MILLION US\$  
PAT



# Our Global Delivery Capability

**17**  
Countries

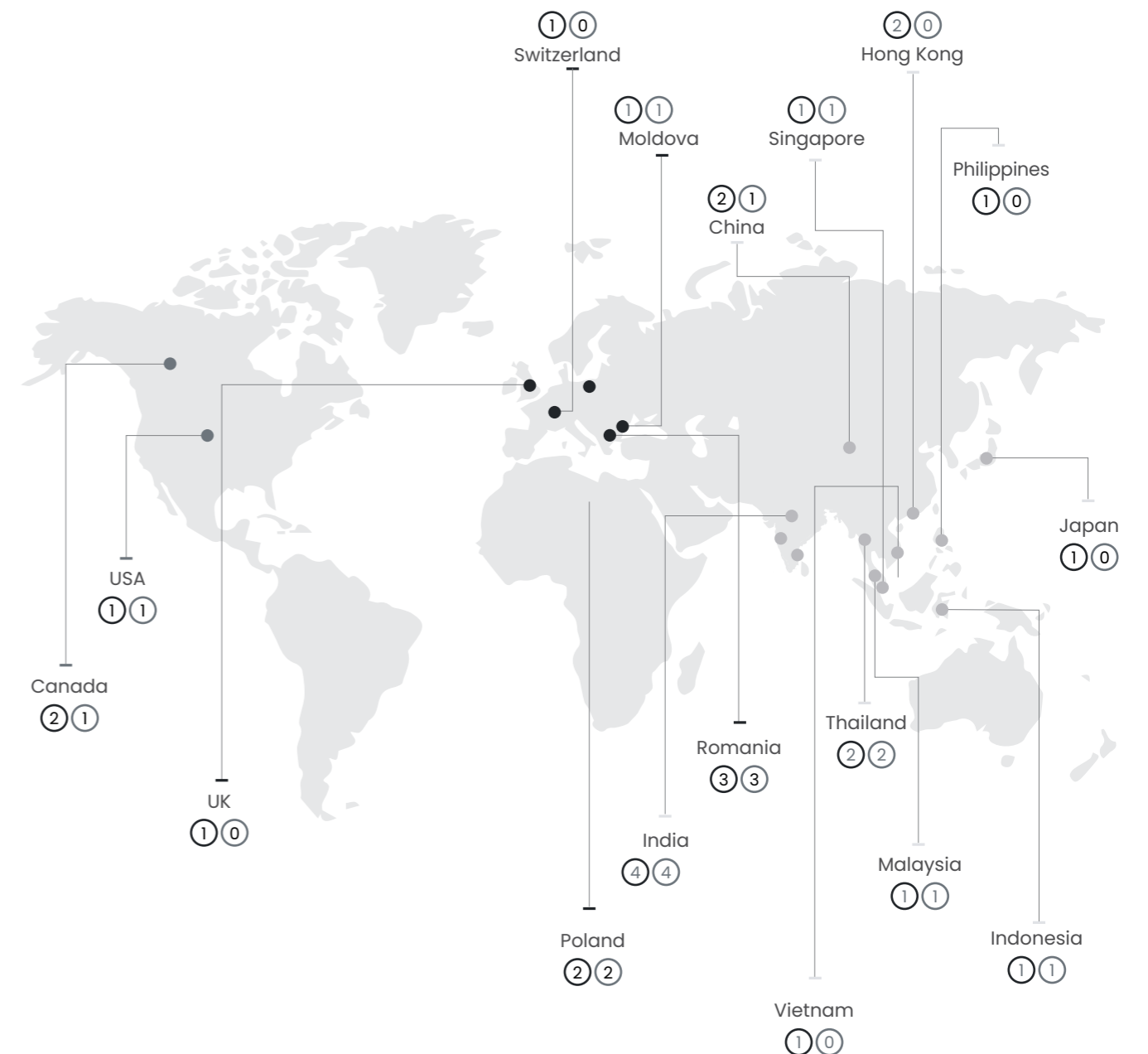
**27**  
Offices

○ Offices ○ Development centres

**18**  
Development centres

**Continent**

— Europe — North America — Asia



# What we do

Delivering tomorrow's digital product engineering and serving specialized IT solutions.

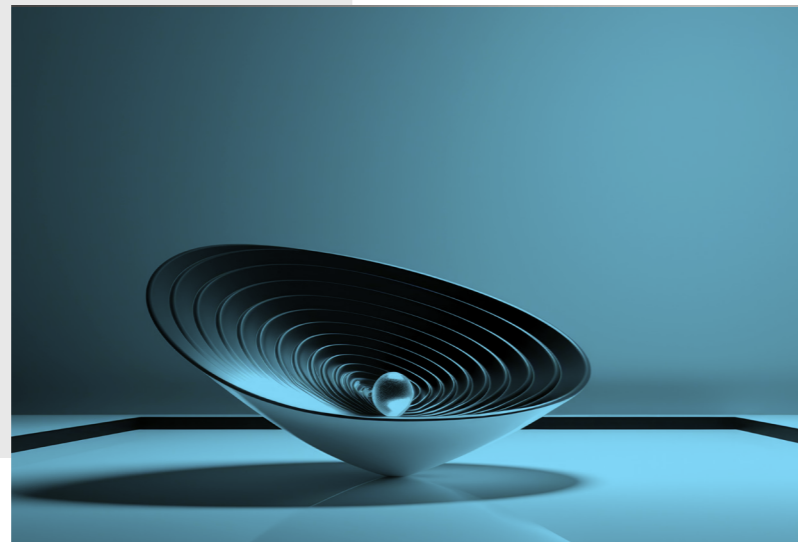
Our commitment to client success is reiterated by our focus on delivering exceptional and innovative solutions that are specifically designed to empower enterprises across the entire life cycle of digital products:

- Developing new digital products/ applications and platforms - faster, better and cheaper.
- Managing existing product ecosystems to significantly reduce the cost to serve and boost margins.
- Enabling implementation of client products through professional services, accelerating time to revenue we provide comprehensive services for nurturing organizational growth.



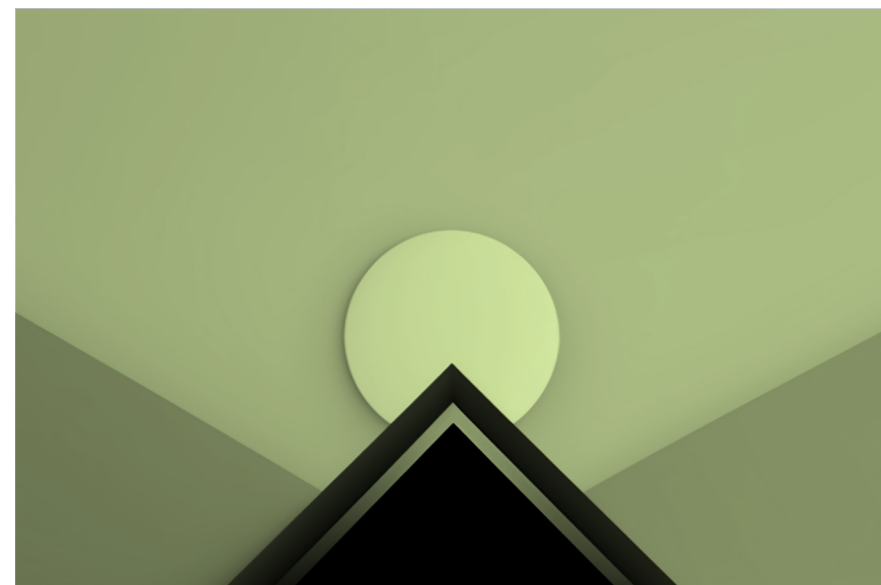
## Digital Transformation

The use of emerging technologies such as AI, Machine Learning, IoT (Internet of Things), and integrated digital solutions are helping clients in their digital transformation journey. This, in turn, is improving overall operational efficiency and decision-making processes.



## Data Analytics and Insights

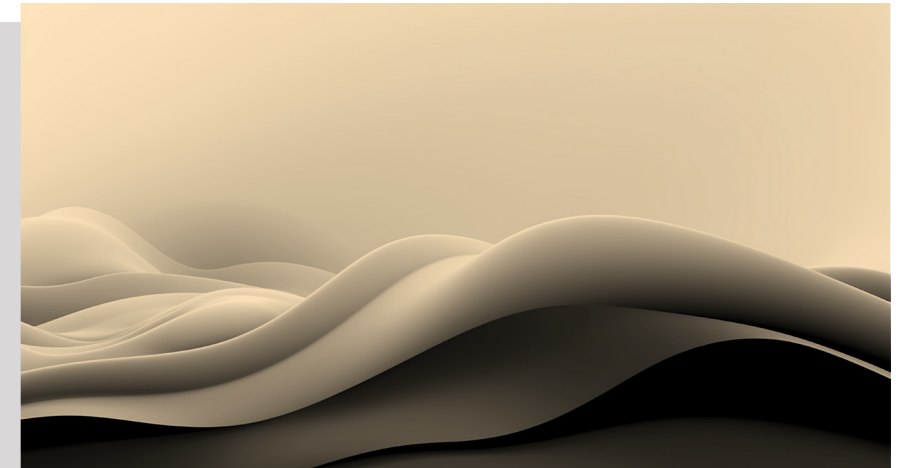
Our data analytics services are curated to help clients utilize advanced analytics tools efficiently and make informed decisions.



## Cloud Services

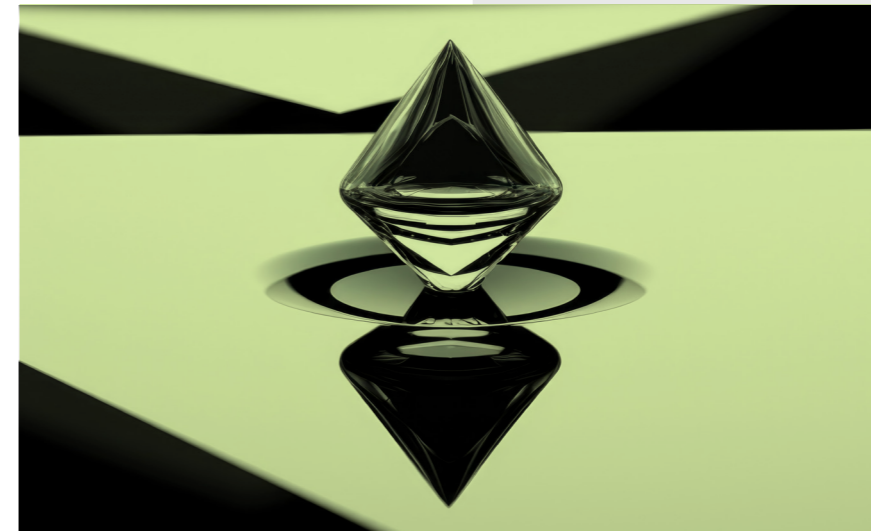
R Systems is enabling clients to move to cloud platforms and switch to scalable, flexible, and cost-effective operations.

We also migrate or build APIs and microservice based architectures to enable organisations to change revenue models from licensing to SAAS platforms.



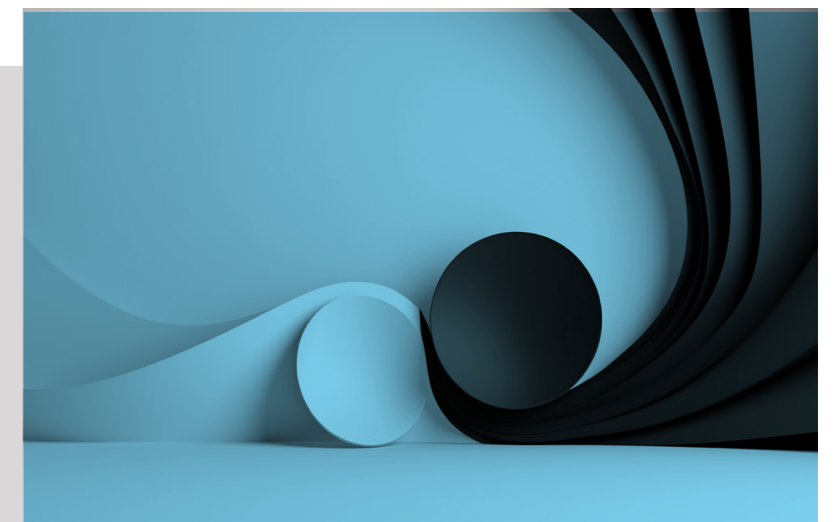
## Automation and Process Optimization

We are introducing automated solutions to make routine tasks easier and improve the overall efficiency of organizations. Additionally, we are assessing existing solutions to optimize processes and enhance their efficiency.



## Collaborative Partnership

We continuously strive to understand the changing needs and expectations of clients and develop solutions that specifically address their concerns. It also allows us to review, update, and introduce new technology to stay a step ahead of competition.





# Navigating the Generative AI Revolution: Impact and Opportunities in Data, Cloud, and Automation

This past year, Generative AI has profoundly influenced domains of Data and Analytics, Cloud and DevOps, and Automation and Digital Operations more than it has impacted others. As these technologies evolve, our clients are experiencing significant disruptions and ever-expanding opportunities. At R Systems, we are strategically positioned to guide our clients through this complex landscape, leveraging our deep industry expertise to maximize the opportunities presented by the Generative AI revolution and plan ahead to address business challenges they bring along.

## Data & Analytics

Gen AI has significantly transformed data and analytics services by enabling deeper and quicker insights. This leapfrog in the efficient processing of vast data volumes, identifying trends, anomalies, and opportunities with enhanced precision, is recasting the very definition of what is possible in enterprises. Our clients are acutely aware and are exploring the impact of Gen AI in making well-informed strategic decisions and enhancing their competitive edge in the volatile markets.



R Systems embeds Gen AI capabilities in our analytics solutions that help our clients achieve their Objectives and Key Results (OKRs). Transforming data into actionable intelligence, we equip our clients to leverage Gen AI to ask deeper questions and drill further into their insights. This helps them better understand their current market positions and effectively respond to market dynamics. To illustrate the impact of Gen AI, here are some industry use cases:

- 1. Healthcare:** Gen AI in healthcare enables the analysis of patient data to predict outcomes and optimize treatment protocols. This application helps in early disease detection and the creation of personalized treatment plans, improving patient care while reducing healthcare costs and readmission rates.
- 2. Financial Services:** In the financial sector, Gen AI enhances risk assessment and fraud detection capabilities. Analyzing transaction patterns and customer data helps financial institutions identify potential fraud scenarios and more accurately assess credit risks, thereby offering safer and more personalized banking services with superior customer experience (CX).
- 3. Retail:** Gen AI is revolutionizing the retail industry by using customer data to personalize shopping experiences. Understanding customer buying behaviors and preferences allows retailers to provide targeted promotions and optimize stock levels, which boosts customer delight and enables extreme operational efficiency.

## Cloud and DevOps

Cloud and DevOps have seen drastic improvements in agility and reinforced resilience in infrastructure

management with the recent advancements in Gen AI. These significant enhancements in the rapid deployment, monitoring, and management of applications, with optimized efficiency, are making cloud computing a strategic competitive advantage for our clients. In our engagements, we constantly discuss and explore the potential of Gen AI in elevating their operational capabilities to a strategic differentiator. At R Systems, we integrate Gen AI capabilities into our cloud solutions to help our clients optimize the total cost of ownership (TCO) of their cloud initiatives. Through self-monitoring workflows and Gen AI-based downtime prevention alerts, we enable our clients' mission-critical infrastructure management. To demonstrate the impact of Gen AI innovations, we can consider the below industry use cases:

- 1. Telecommunications:** In telcos, Gen AI has shown tremendous potential in streamlining network management and enhancing service delivery. It allows providers to offer more reliable services and manage vast networks efficiently, reducing operational costs and improving customer satisfaction.
- 2. Manufacturing:** For manufacturing leaders, Gen AI multiplies their automated production processes and real-time monitoring of equipment through NLP-based interactive interventions. This leads to faster production times, fewer interruptions, and a substantial increase in production efficiency, directly impacting profitability and quality.
- 3. E-commerce:** In the e-commerce space, Gen AI optimizes cloud infrastructure to handle varying loads, especially during peak shopping periods. This capability ensures seamless customer experiences, higher transaction success rates, and robust system performance, ultimately boosting customer loyalty and business growth.

## Automation and Digital Ops

Gen AI has fundamentally redefined Automation and Digital Operations by deploying smarter, more adaptive systems that significantly boost both efficiency and precision.



This transformation is reshaping how enterprises manage operations, leading to substantial reductions in operational costs and notable enhancements in scalability. These AI-driven automation solutions optimize intricate yet repeatable tasks and workflows with accuracy, which speeds up operations and maintains consistent quality and compliance across our clients' digital value chain. Our automation experts at R Systems are tailoring these solutions to the unique needs of our clients, empowering them to obsess with customer service excellence while allowing AI-led automation to address their operational performance indicators (KPIs).

Here are some industry use cases that further illustrate the impact of Gen AI on automation and digital operations:

- 1. Logistics and Supply Chain:** In logistics, Gen AI optimizes routing and inventory management, reducing delivery times and costs. It enhances supply chain transparency, streamlines alerts, and optimizes operational efficiency, allowing companies to respond more swiftly to unforeseen supply chain disruptions or unanticipated customer needs.
- 2. Automotive:** In the automotive industry, Gen AI enhances the automation of production lines and quality control processes. This results in higher production accuracy, reduced waste, and improved safety, all while meeting high-quality standards.
- 3. ISVs:** In the software as a service (SaaS) and independent software vendor (ISV) industries, Gen AI automates and enhances software development processes and customer service operations. Gen AI enables automated testing and deployment, which accelerates the release cycles and improves software quality. Additionally, AI-driven analytics tools provide real-time insights into user behavior and system performance, allowing for quick adjustments and personalized service offerings.

# Our Offerings and Services

We are a leading digital product engineering Company. We create next-gen products and digital experiences that empower enterprises to thrive and excel in a rapidly changing business environment. Our commitment to innovation enables us to consistently adopt the latest technologies such as cloud, automation, AI, ML, and data analytics to improve operational efficiency and aid the migration and modernization of existing digital ecosystems.



## Digital Product Engineering

As a leader in digital product engineering, we specialize in crafting cutting-edge products and digital experiences that enable enterprises to excel in today's disruptive business landscape. Our domain knowledge and deep partner ecosystem allow us to integrate the latest in cloud, automation, AI, machine learning, and data analytics to help our ISV clients accelerate their product roadmaps. R Systems teams act as extended arms of our clients' New Product Introductions (NPI), reducing product development costs and delivering exceptional CX while not compromising their time to market.

## Cloud and DevOps

Our specialization in AWS, Azure, and GCP enables us to facilitate seamless cloud migration, modernization of legacy systems, and accelerate software deployment cycles across organizations. It not only ensures continuous operational excellence but also future proofs the business by introducing agile and scalable solutions that drive innovation and growth.



## Data and AI

To achieve strategic business advantage and uncover the full potential of intelligent analytics, Data and AI can be utilized to transform organizations. Our domain consultants can shape data strategy, establish cloud-based data infrastructure, and smarter workflows and intuitive visualization.

## Quality Engineering

We enhance our clients' confidence in their digital products by elevating the quality assurance process. Through our Quality Engineering Services, we accelerate validation processes with impactful integration of AI and automation. Our services offer a full spectrum of testing solutions—from unit, integration, system, and regression testing to specialized protocols like cloud migration and security testing. We streamline API and Backend operations, optimize test automation, and conduct rigorous performance testing to ensure their applications meet the prescribed specifications and exceed user expectations. Our approach to quality engineering helps enterprises deliver exceptional software quality, significantly shorten time-to-market, and align digital outcomes with strategic business objectives.



## Embedded and Firmware

R Systems provides cutting-edge embedded services ranging from firmware development to the creation of sophisticated applications for audio/video conferencing, gaming, and live streaming & media services.

Our expertise in Base Porting, Secure Boot, and Device Drivers, across Bare Metal/RTOS, showcases our commitment to innovation. With a focus on rapid advancements in audio/video streaming and conferencing, our expertise in audio/video and cloud platforms facilitates swift market entry for our clients. This enables clients to retain market leadership in their respective domains. We also enable seamless device integration and provide customized solutions for clients to remain at the forefront of technological innovation.

## Automation and Digital Ops

To ensure a seamless transition to advanced automation and scalable no-code solutions, we offer a suite of services that extend beyond traditional models to incorporate intelligent automation technologies. Our approach is built on a foundation of collaboration, from initial concept to execution, ensuring smooth digital transformations with agility. Our services leverage major players in the technology ecosystem, including Enterprise AI, Low-Code and No-Code platforms, Intelligent Process Automation (IPA), Robotic Process Automation (RPA), Cognitive Automation, and advanced chatbot integrations. With strategic use of tools from IBM, Microsoft, UiPath, and Automation Anywhere, we enhance operational workflows, driving significant improvements in speed and accuracy across all digital operations.



## Mobile Experience Design (UX/CX)

We deliver Hybrid as well as Native app solutions that are designed with a mobile-first strategy. Our comprehensive mobile app development services cater to the needs of modern enterprises and strive to combine innovative design with a future-proof approach. Our mobile-first strategy caters to diverse domains including travel booking, hospitality, gaming, home automation, live streaming, IoT solutions, fleet tracking, and AI/ML integrations.

## Enterprise Packaged Software and Services – Implementation and Integration

We offer tailored services across COTS solutions like Salesforce, Dynamics 365, Infor, Blue Yonder, and more. Our proficiency in integrating various applications enables us to utilize advanced platforms like Boomi and MuleSoft to accelerate time-to-value for our clients. We provide a range of customized services to industries ranging from Healthcare, Manufacturing and Logistics to Telecom, Media and Entertainment, Services, ISVs, and Hi-Tech.

It also drives digital transformation through strong partnerships with leading technology providers.



# Empowering digital transformation journeys across sectors

Our digital product engineering prowess and specialized enterprise IT solutions have powered digital innovations across different domains. It has allowed us to empower clients, deliver customer-centric solutions, and expedite revenue realization.

## Tech and Independent Software Vendors (ISV)

We collaborate closely with ISVs, leveraging our expertise to deliver tailored services in product development, portfolio management, and DevOps. Our OPD services reduce costs, allowing ISVs in Tech, Health, Telco, Media and Auto to launch new products and features faster and more efficiently. Our PPM services allow them to serve their customers better while they can focus on their core of new product roadmaps. Our offerings empower clients to focus on core activities, increase revenue realization potential, and encourage a forward-thinking mindset for sustained success in a competitive landscape.



## Healthcare

To facilitate seamless data flow in EMR, EHR, and HMS in healthcare, we collaborate with Payers, Providers, and Health Tech firms to address challenges and improve patient experience. We harness the power of Cloud platforms, Data Analytics, and AI to revolutionize operations, increase accessibility and enhance efficiency. This enables us to develop novel solutions that help to address the unique challenges faced by clients in the healthcare sector.

## Manufacturing, and Logistics

We serve the Manufacturing, Logistics, and Automotive sectors by delivering advanced solutions that address business and operational needs, enhancing productivity, quality, and the overall customer experience. In Manufacturing, our applications of AI, ML, Robotics, IoT, and Analytics transform operations, promoting Industry 4.0 readiness with Industrial IoT, smart factory automation, and digital footprints for improved production visibility and predictive maintenance. We provide manufacturing solutions, including production scheduling, real-time equipment monitoring, and predictive modeling to minimize downtime and streamline workflows. In the Logistics and Warehousing sector, we optimize supply chain efficiency with cutting-edge technology that supports real-time tracking, smart storage, and seamless integration of logistics operations. Our tools enable efficient fleet and transportation management, supported by RFID-based inventory systems and quality control mechanisms that enhance space utilization and customer satisfaction. For the Automotive industry, our solutions span interconnected car systems, dealer management, and fleet operations, enhancing the driver experience and digital engagement between customers and dealers. We focus on safety, efficiency, and elevating the overall automotive journey, ensuring seamless integration and operational excellence across the board.



## Telecom, Media, and Entertainment

R Systems catalyzes digital innovation in Telecom, Media, and Entertainment. We provide tailored solutions for CSPs, OEMs, and Telecom ISVs. With a focus on developing solutions tailored to ensure a smooth 5G transition, our services encompass core network operations, BSS solutions, and AI-powered observability. In the Media and Entertainment domain, we assist broadcasters, service providers, and media tech companies in creating cost-efficient and engaging OTT/TV applications. We also provide end-to-end next-gen media solutions for engaging viewers and generating more revenue.

## Banking, and Financial Services

At R Systems, we are leading the innovation in the banking and financial services industry along with our clients. We do this by simplifying their operations, improving efficiency, and enhancing their customer experience (CX). We empower our clients to offer hyper-personalized services, from streamlined customer onboarding across all channels to accelerated loan processing and modernized payment systems. Our expertise in credit scoring, underwriting automation, and real-time payment solutions, along with crafting cutting-edge FinTech products like customer engagement platforms and open banking APIs, positions us as a global leader. Leveraging Microservices, Cloud, AI, ML, and Gen AI, we tackle complex challenges to deliver a world-class customer experience.



## Retail, Hospitality, and Other Services

We strive to maximize the sales potential and unlock revenue growth for retail, education, and hospitality industries. We enrich customer experiences, drive revenue, and optimize operations by combining technology and strategic partnerships.

For the retail segment, we develop specialized solutions for streamlining order processing, and developing personalized shopping experiences. Our expertise encompasses every aspect of retail platforms, from enabling end-to-end ERP integration to the creation of robust payment frameworks and intuitive self-service portals. It not only improves customer experiences but also results in deeper engagement with the consumer.



## Public Services

We continue to develop innovative solutions for public service agencies in the US. Our expertise in cloud-based solutions, advanced analytics, artificial intelligence, machine learning, and Gen AI have earned us numerous government projects. Leveraging our ability to blend fiscal prudence with uncompromising quality, we have delivered unique solutions for delivering actionable intelligence, and creating meaningful impact.



# Digitally empowering customers

At R Systems, we utilize Gen AI to develop innovative solutions for our clients. By developing customized chatbots, databases, and tailored services, we empower the digital transformation journey of our clients.

## Secure, AI-Enhanced Platform for Efficient Partner & Vendor Engagement



## Rapid Deployment of a ChatGPT-Inspired Automation App



## Enhancing Medical Coding Efficiency & Precision with AI



## AI-based solutions for forecasting business volumes



### Client Challenge

A leading global agriculture company faced inefficiencies in partner and vendor interactions, causing delays and operational challenges. They needed to improve efficiency and accuracy in decision-making.

A California-based tech startup needed to enhance productivity by automating business processes through an AI-driven platform while addressing legacy system integration issues, maintaining data privacy, and ensuring scalability and user support.

For translating medical records into diagnosis and procedure codes highly skilled medical coders are required. Often, their absence can lead to errors and delays in this data entry that ultimately impacts the revenue realization of healthcare providers.

The existing Projection system had to be operated manually and offered an accuracy of just 55%. Inaccurate projections led to over and under-staffing.

### Our Solutions

We developed an AI-powered platform with a chatbot for rapid query handling and insights on procurement. In collaboration with major tech partners, we ensured high data security and compliance. ServiceNow Knowledge Base integration facilitated active data ingestion and effective AI model training.

Developed a serverless, scalable system using GPT-4 with AWS Lambda. The front end utilized React, and the backend used Flask. Amazon Lex was chosen for NLP, supported by a secure and efficient AWS infrastructure including API Gateway, S3, and Step Functions.

Our team developed a secure solution that could enhance the efficiency and speed of the process is required. Pre-processing, Optical Character Recognition (OCR), NLP Pipelines, Generative Pre-Trained Transformers (GPT), and Reinforcement Learning from Human Feedback

Our solution enabled the client to collect both internal and external data for the last 10 days and leverage sophisticated machine learning (ML) programs like XGB and DNN along with hyper-parameter tuning to achieve the projected outcome.

### Benefits Delivered

- Query resolution time improved by ~90%.
- Achieved 95% accuracy for top FAQs.

- Achieved 99.8% uptime and served 120k users within 72 hours of launch.
- Increased customer retention by 80% and received 94.5% positive feedback.
- Supported 18 enterprise tools, reducing automation design and execution time from 60 to 3 minutes.
- Boosted user productivity by 20x.

Augmented coders can code and bill with >95% precision. Quicker coding results in better patient service and reimbursements, and it also optimizes revenue cycle and clinical trial management

Fast and accurate projections with >80% accuracy were achieved. The prediction model offers key insights for refining intervention strategies in staffing and retention through root cause analysis.

# Our people

We believe our people are our greatest assets and they play a key role in creating long-term value for our stakeholders. To empower our people and create a conducive working environment, we strive to offer equal opportunities at the workplace. We also create training and development plans to ensure personal as well as professional growth.



The exceptional contribution of our outstanding employees. Their achievements serve as shining examples, instilling a profound sense of purpose and inspiration. Their unwavering commitment has been the driving force behind our success, shaping the very essence of our company culture.

## Employee benefits

We believe in a multifaceted approach to creating growth opportunities for our people. Encompassing varied aspects including organizational culture, leadership, diversity, professional development, and well-being, our business strategy prioritizes individual growth and career development. We offer fair compensation and flexible work schedules and organize employee well-being programs to empower our people.

people and provide MediClaim and Insurance, Accidental Insurance, and Term Insurance policies for our people. Health Talks and health check-up camps are also organized for employees. We also have ties with various hospitals to benefit employees and their families. Moreover, we have organized

vaccination camps, the Practo Medical app for consultation, support and advice, and Meditation, Yoga, and Zumba classes for our people. Cricket League and indoor sports activities, like chess and table tennis are also organized as recreational activities for employees.

## Employee health and wellness

Our focus on employee health and wellness is aligned with our core values. It enables us to develop targeted programs that help create a positive and caring working environment.

We have developed various health and wellness programs for our



## Diversity, Equity, and Inclusion

At R Systems, we encourage a diverse and inclusive work culture where every employee is valued and appreciated. We also prioritize fair compensation and encourage professional growth through transparent evaluation. To support work-life balance, we offer flexible work schedules for our people and encourage participation in holistic wellness programs.

1. Diverse Recruitment Strategies
2. Skill and qualification-based hiring
3. Training on Diversity & Inclusion
4. Employee connect groups: We encourage and promote Employee connect groups that provide a platform for employees to connect, share experiences, and contribute to a more inclusive workplace. These channels play a crucial role in creating a sense of belonging.
5. Equal Opportunity Policies: We have a clearly defined equal opportunity policy in place that emphasizes our commitment to a workplace free from discrimination. These policies are communicated regularly to all employees and mechanisms are in place to address any concerns promptly.



methodologies, but also on topics important and useful for supporting functions.

We invest in our employee's development by offering access to online courses using an online learning platform, where employees have learning opportunities all the time – in line with our staff development policy. They receive learning paths designed and created by HR in collaboration with internal leadership. This investment has immensely helped us retain top talent and a highly skilled workforce.

HR organizes workshops, seminars, and training sessions on various topics such as leadership, time management, technical skills, diversity, inclusion, and more. These events are crucial for continuous learning and for keeping employees up to date with industry trends and best practices.



## Training and Development

We're proud to be able to offer our teams continuous learning opportunities such as workshops, courses, joining conferences, and certifications to keep the workforce skilled in the latest programming languages and development



**21000+**

Training Hours

## Employee Engagement

We organize different types of events, including celebrations of special days, health talks, health check-up camps, CSR initiatives, sports activities, hackathons, and tech talks for our people. To promote the spirit of team building and collaboration, we encourage our people to participate in special celebrations on the events of Republic Day, New Year, and various festivals.

Besides, we organize a dedicated Reward and Recognition program to acknowledge the exceptional contributions of our people. Open House and Town Hall sessions are also held to promote employee engagement.

**3000+**

Employee participation in training

# Enabling change, impacting lives

R Systems group actively engages in diverse CSR initiatives to create positive change within society. With targeted programs encompassing education, women’s empowerment, sports, and environmental sustainability, our employees are engaged in various programs designed to benefit people across socioeconomic divides. We are continuously collaborating with NGOs to implement and execute our CSR projects.

We believe in giving back, helping those in need, and making a positive change together – because small actions add up and lead to life-changing impacts. 2023 was quite active in terms of CSR and it was great to see so many employees in different locations joining forces to contribute to the causes we supported.

## We Care About



Education



Women Empowerment



Sports



Community Welfare



Environment

## Our Initiatives

### Setting up A Centre of Excellence On Applied AI for Sustainable Systems with IIT Delhi

We have signed an MOU with the Indian Institute of Technology Delhi (IIT-Delhi) to further our commitment to AI. Under this program, it is proposed to set up a Centre of Excellence (CoE) on Applied AI for Sustainable Systems at IIT Delhi, which will include a cutting-edge research lab, the creation of an endowed faculty chair position, and the initiation of merit-based student scholarships. This initiative underscores the strategic priority of R Systems to promote innovation, enhance new-age skills, and develop deep tech.

The CoE will focus on advancing knowledge, promoting research and innovation, and nurturing future leaders in the field of technology, which consequently facilitate the execution of multiple joint projects/ activities with R Systems as a corporate partner under one umbrella thereby enabling a high level of sustained focus and commitment for social benefit. This initiative would prove to be a collaborative platform that will bring together industry experts, academicians, and researchers to address critical challenges in the technology domain. The CoE may undertake research projects to develop innovative solutions and technologies, address pressing issues and support research and innovation.



### Empowering Women through Providing Actions with Research and Sustainable Development (PARAS India)

R Systems, along with PARAS INDIA, opened sewing schools in the slums of Delhi. It is a community-based initiative to skill rural and deprived women and empower them to become entrepreneurs. Women are taught stitching and sewing skills to help them earn a livelihood in their respective communities.

### Collaboration with Missionaries of Charity

In partnership with Missionaries of Charity, Jeevan Jyoti Home Centre, Jangpura, Delhi, we strive to help orphans and children with special needs.

### Wellness program at Indian Institute of Management, Nagpur

We suggested the creation of a Happiness Centre for students as well as teachers at the Indian Institute of Management, Nagpur. It aims to create a conducive environment for studying, teaching, and promoting the well-being of students as well as teachers.

### Promoting sports with Prakash Padukone Badminton Academy

We have collaborated with Prakash Padukone Badminton Academy to provide training facilities for girls interested in pursuing badminton. The Company also teamed up with the academy to support young aspirants.

Many of our sponsored girls have won medals at national and international tournaments like “The all-India U19 Ranking Tournament”, “YONEX Estonian International 2024”, “Swedish Open 2024”, and “Portugal International Championships 2024”



### Providing meals through Akshaya Patra

Through this program, our subsidiary, Velotio has associated with Akshaya Patra for providing freshly cooked meals to underprivileged children in government schools. This program aims to address malnutrition in children and increase enrolment & attendance in school.

### Supports girl students with FUEL and Swadhar IDWC

Our Subsidiary, Velotio along with FUEL supports female students and youth from disadvantaged families and trains them in future skills to give them a platform to become independent. FUEL’s ‘FFSI’ Future Skills Scholarship Program aims to provide 360-degree career support with a close monitoring mechanism and peer-to-peer learning. IDWC program with Swadhar helps sponsor the education of girls from grades 8-10<sup>th</sup> and sponsors those attending vocational training courses like ITI, Diploma in engineering, D.Ed., Nurse Assistant, etc.



### Association with Army Public School, Beas

R Systems is working with Army Public School, Beas to help educate and take care of children from marginalized communities of Kashmir region.

### Impacting the Environment with Green Yatra

With the support of Green Yatra, we have started an afforestation project that aims to increase the plantation of local species. We have planted 1300+ local native species of saplings in Miyawaki Afforestation in Delhi NCR.

### Voluntary CSR by our EU subsidiaries

- 25 of our European employees volunteered with Climb Again, an NGO, to build a therapy center for children and teenagers with disabilities in Romania.
- Our European subsidiary hosted several events like, 'Charity Cake Day', 'Back to School charity campaign' etc. helping children in need to build a brighter future.
- They also organized tree-planting activities in Romania and Moldova with local NGOs and collected e-waste, resulting in reducing our CO2 footprint.



## Awards and Certifications

Our dedication to excellence has been recognized with numerous awards and certifications. Being named one of the 'Top 500 Value Creators of India' and achieving the 'Great Place to Work' certification in multiple countries are just a few accolades that highlight our commitment to our people and our clients and shareholders.

### Great Place to Work



Certified as a Great Place to Work in 10 countries where it has a full-time workforce.

### India's 500 Value Creators 2023



Honoured as India's Top 500 Value Creators 2023 by Dun & Bradstreet.

### Most Preferred Workplace 2023-2024



Recognized as one of the Most Preferred Workplaces in IT & ITES for the year 2023-24.

### Business Connect



R Systems was profiled in Business Connect International magazine.

### Clutch Global



Our subsidiary, Velotio has won the 2023 Clutch Global Award for Product Engineering, Cloud and DevOps, and Data Engineering Services.

### Clutch Champion



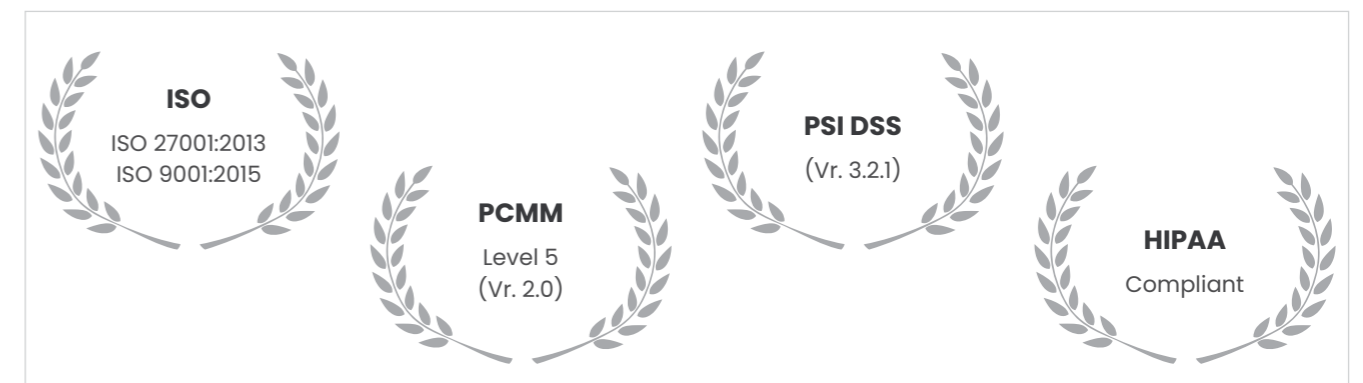
Our subsidiary, Velotio has won the 2023 Clutch Champion award for client satisfaction and high-quality service ratings.

### Best Internship



The R Systems Programming Academy has ranked 16 on the list of the most-voted 60 internships in Romania, in 2023 (study conducted by Hipo.ro)

## Certifications



# Corporate Information

(As at May 02, 2024)

## Board of Directors

**Mrs. Ruchica Gupta**  
(Chairperson & Non-Executive Independent Director)

**Mr. Nitesh Bansal**  
(Managing Director & Chief Executive Officer)

**Mr. Mukesh Mehta**  
(Non-Executive Director)

**Mr. Amit Dalmia**  
(Non-Executive Director)

**Mr. Animesh Agrawal**  
(Non-Executive Director)

**Mr. Kapil Dhameja**  
(Non-Executive Independent Director)

**Mr. Aditya Wadhwa**  
(Non-Executive Independent Director)

## Key Managerial Personnel

**Mr. Nand Sardana**  
Chief Financial Officer

**Mr. Bhasker Dubey**  
Company Secretary and Compliance Officer

## Statutory Auditors

**M/s. Deloitte Haskins & Sells LLP**  
Chartered Accountants  
7<sup>th</sup> Floor, Building 10, Tower B,  
DLF Cyber City Complex  
DLF City Phase II, Gurugram – 122002

## Registrar and Share Transfer Agent

**Link Intime India Private Limited**  
Noble Heights, 1st Floor, Plot NH  
2, C-1, Block LSC,  
Near Savitri Market, Janakpuri,  
New Delhi – 110058

## Bankers

Axis Bank Limited  
ICICI Bank Limited  
JP Morgan Chase Bank  
California Bank and Trust  
HDFC Bank Limited  
Natwest Bank  
OCBC Bank  
Royal Bank of Canada  
DBS Bank Limited  
BRD Groupe Societe Generale SA  
Santander Bank

## Listed At

National Stock Exchange of India Limited  
BSE Limited

## Audit Committee

**Mrs. Ruchica Gupta**  
(Chairperson)

**Mr. Kapil Dhameja**  
(Member)

**Mr. Amit Dalmia**  
(Member)

## Stakeholders Relationship Committee

**Mr. Amit Dalmia**  
(Chairman)

**Mr. Kapil Dhameja**  
(Member)

**Mr. Animesh Agrawal**  
(Member)

## Nomination, Remuneration & Compensation Committee

**Mr. Kapil Dhameja**  
(Chairman)

**Mrs. Ruchica Gupta**  
(Member)

**Mr. Mukesh Mehta**  
(Member)

## Risk Management Committee

**Mr. Amit Dalmia**  
(Chairman)

**Mr. Kapil Dhameja**  
(Member)

**Mr. Animesh Agrawal**  
(Member)

## Corporate Social Responsibility Committee

**Mr. Amit Dalmia**  
(Chairman)

**Mr. Kapil Dhameja**  
(Member)

**Mr. Animesh Agrawal**  
(Member)

## Management Committee

**Mrs. Ruchica Gupta**  
(Chairperson)

**Mr. Nitesh Bansal**  
(Member)

**Mr. Animesh Agrawal**  
(Member)

**Mr. Nand Sardana**  
(Member)

## Subsidiaries of R Systems International Limited

R Systems, Inc., U.S.A.  
R Systems (Singapore) Pte Limited, Singapore  
R Systems Technologies Limited., U.S.A.  
R Systems Consulting Services Limited, Singapore  
R Systems Computaris International Limited, UK  
RSYS Technologies Ltd., Canada  
Velotio Technologies Private Limited, India

## Subsidiaries of R Systems IBIZCS Pte. Ltd.

R Systems IBIZ Sdn. Bhd., Malaysia  
PT. RSystems IBIZCS International, Indonesia  
IBIZ Consulting (Thailand) Co. Ltd., Thailand  
IBIZ Consulting Services Limited, Hong Kong (IBIZ HK)  
IBIZ Consulting Services (Shanghai) Co. Ltd., People's Republic of China  
(A wholly owned subsidiary of IBIZ HK)

## Subsidiaries of R Systems Consulting Services Limited

R Systems Consulting Services (M) Sdn. Bhd., Malaysia  
R Systems Consulting Services (Thailand) Co., Ltd., Thailand  
R Systems Consulting Services (Shanghai) Co., Ltd. People's Republic of China  
R Systems Consulting Services (Hong Kong) Ltd., Hong Kong  
R Systems Consulting Services Kabushiki Kaisha, Japan  
R Systems Consulting Services Company Limited, Vietnam

## Subsidiary of Velotio Technologies Private Limited

Scaleworx Technologies Private Limited, India

## Subsidiary of R Systems (Singapore) Pte Limited

R Systems IBIZCS Pte. Ltd., Singapore

## Subsidiaries of R Systems Computaris International Limited

R Systems Computaris Europe S.R.L., Romania  
R Systems Computaris Poland sp z o.o, Poland  
R Systems Computaris S.R.L, Moldova  
R Systems Computaris Malaysia Sdn. Bhd., Malaysia  
R Systems Computaris Philippines Pte. Ltd. Inc., Philippines  
R Systems Computaris Suisse Sarl, Switzerland

## Registered Office

GF-1-A, 6, Devika Tower, Nehru Place, New Delhi – 110 019

## Corporate Office

C – 40, Sector – 59, Noida (U.P.) – 201 307



# Director's Report

Dear Shareholders,

Your directors take great pleasure in presenting the Thirtieth Annual Report on the business and operations of R Systems International Limited ("R Systems" or the "Company") together with the audited financial statements of accounts for the year ended December 31, 2023.

## 1. FINANCIAL RESULTS

Key aspects of the financial performance of your Company prepared as per the Indian Accounting Standards ("Ind AS") for the financial year ended December 31, 2023 are as under:

(₹ in Millions, except per equity share data)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Revenue from Operations</b>	<b>9,038.87</b>	<b>8,138.90</b>	<b>16,845.18</b>	<b>15,158.31</b>
Profit before depreciation, exceptional items and tax	2,421.83	1,536.32	2,549.30	2,051.35
Less: Depreciation and amortisation expense	239.95	195.83	544.04	349.78
Less: Share of net profit/ (loss) of associates accounted for using the equity method	Nil	Nil	5.04	Nil
<b>Profit before tax</b>	<b>2,181.88</b>	<b>1,340.49</b>	<b>2,000.22</b>	<b>1,701.57</b>
Less: Current tax	485.60	296.55	613.59	387.19
Less: Deferred tax (credit)/ expense	(38.29)	(83.17)	(14.43)	(82.43)
<b>Profit after tax</b>	<b>1,734.57</b>	<b>1,127.11</b>	<b>1,401.06</b>	<b>1,396.81</b>
Other comprehensive income	(4.61)	4.37	63.08	223.89
<b>Total comprehensive income for the year</b>	<b>1,729.96</b>	<b>1,131.48</b>	<b>1,464.14</b>	<b>1,620.70</b>
<b>Statement of change in Retained Earnings</b>				
<b>Opening Balance</b>	<b>3,779.16</b>	<b>3,416.65</b>	<b>4,796.39</b>	<b>4,164.18</b>
Add: Profit for the current year	1,734.57	1,127.11	1,401.06	1,396.81
Less: Dividend paid	804.46	768.97	804.46	768.97
Add: Other comprehensive income/ (loss) for the year	(4.61)	4.37	(6.01)	4.37
<b>Closing Balance</b>	<b>4,704.66</b>	<b>3,779.16</b>	<b>5,386.98</b>	<b>4,796.39</b>
EPS-Basic	14.66	9.53	11.84	11.81

## 2. Results of Operations

### Standalone Accounts

- Total revenue during the year 2023 was ₹ 9,038.87 mn. as compared to ₹ 8,138.90 mn. during the year 2022, an increase of 11.06%.
- Profit after tax was ₹ 1,734.57 mn. during the year 2023 as compared to ₹ 1,127.11 mn. during 2022, an increase of 53.90%.
- Basic earnings per share (of face value of ₹ 1/- each) was ₹ 14.66 for the year 2023 as compared to ₹ 9.53 for the year 2022, an increase of 53.83%.

### Consolidated Accounts

- Total revenue during the year 2023 was ₹ 16,845.18 mn. as compared to ₹ 15,158.31 mn. during the year 2022, an increase of 11.13%.
- Profit after tax was ₹ 1,401.06 mn. during the year 2023 as compared to ₹ 1,396.81 mn. during the year 2022, an increase of 0.30%.
- Basic earnings per share (of face value of ₹ 1/- each) was ₹ 11.84 for the year 2023 as compared to ₹ 11.81 for the year 2022, an increase of 0.25%.

The state of affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this report.

## 3. Appropriations and Reserves

### Dividend

During the year 2023, the Board of Directors declared an interim dividend namely, Interim Dividend 2023 of ₹ 6.80/- per equity share i.e. 680% of face value of ₹ 1/- each at its meeting held on December 13, 2023. The said interim dividend was paid to shareholders on January 09, 2024. The Board of Directors has not recommended any final dividend for the financial year ended December 31, 2023.

Subsequent to the year ended December 31, 2023, the Board of Directors of the Company has declared Interim Dividend for the year 2024 of ₹ 6.00/- per equity share i.e. 600% of face value of ₹ 1/- each at its meeting held on March 19, 2024. The said dividend was paid to the shareholders on April 12, 2024.

### Transfer to Reserves

In order to augment resources, your Directors do not propose to transfer any amount to reserves.

#### 4. Business

R Systems is a leading digital product engineering Company that creates next-gen products and digital experiences that empower enterprises to thrive and excel in a rapidly changing business environment. Our commitment to innovation enables us to consistently adopt the latest technologies such as cloud, automation, AI, ML, and data analytics to improve operational efficiency and aid the migration and modernization of existing digital ecosystems.

Our Core Offerings and Services are Digital Product Engineering, Cloud and DevOps, Data and AI, Quality Engineering, Embedded and Firmware, Automation and Digital Ops, Mobile Experience Design (UX/CX) and Enterprise Packaged Software and Services – Implementation and Integration.

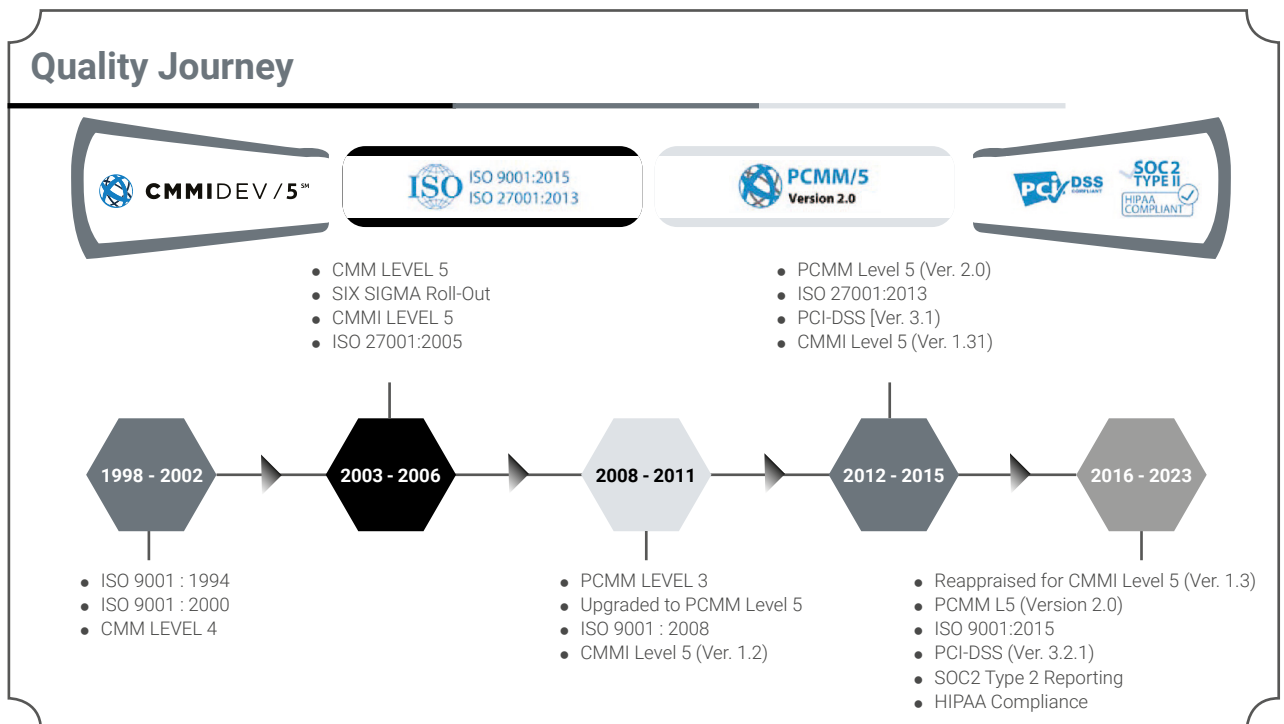
Our digital product engineering prowess and specialized enterprise IT solutions have powered digital innovations across different domains. It has allowed us to empower clients, deliver customer-centric solutions, and expedite revenue realization.

R Systems maintains a global presence with eighteen development centres across North America, Europe, and APAC regions.

While acknowledging the signs of a global economic slowdown impacting demand dynamics, we recognize that businesses need to expedite their digital transformations by navigating the Generative AI Revolution. With a measured yet optimistic outlook, we persist in our commitment to investing in emerging technologies alongside strategic sales and marketing initiatives to drive innovation-led growth and ensure profitability in the face of prevailing challenges.

#### 5. Quality Certifications

R Systems has continuously invested in processes, people, training, information systems, quality standards, frameworks, tools and methodologies to mitigate the risks associated with execution of projects. Adoption of quality models and practices such as the Capability Maturity Model Integration (CMMI) and People Capability Maturity Model (PCMM) practices for processes have ensured that risks are identified and mitigated at various levels in the planning and execution process. R Systems journey on various quality standards/models is as follows:



During the year 2023, Noida IT as well as Knowledge Services Division have undergone surveillance audits for ISO 9001 and ISO 27001. As of the date of this report, Noida IT division and Knowledge Services (KS) Division are PCMM Level 5, ISO 9001:2015, ISO 27001:2013 certified and HIPAA compliant. Apart from this, KS division is also PCI-DSS (ver.3.2.1)

certified (for IT Infrastructure along with the projects/process/ applications in scope). To maintain and strengthen competitive strengths, R Systems continues to make investments for enhancing its competencies around latest technologies for flawless execution and consistent delivery of state of art Product and solutions for our customers.

R Systems security policy provides a framework for protecting confidentiality, integrity and ensuring availability of organization's Information assets to the authorized persons to safeguard the interest of customer, business continuity and continual improvement of ISMS at R Systems. The security policy of R Systems has been designed to safeguard the risk associated with information security management.

## 6. Takeover and Reclassification of Promoters

Pursuant to the Share Purchase Agreement dated November 16, 2022, as amended on March 21, 2023 ("SPA") executed between BCP Asia II Topco II Pte. Ltd. (the "Acquirer") and (i) Dr. Satinder Singh Rekhi, (ii) Mrs. Harpreet Rekhi, (iii) The Satinder and Harpreet Rekhi Family Trust, (iv) Mr. Sartaj Singh Rekhi, (v) Mr. Ramneet Singh Rekhi, (vi) Mr. Jagmohan Singh Walia, (vii) Mrs. Amrita Rekhi, (viii) Mrs. Kuldeep Baldev Singh and (ix) Mrs. Anita Behl (hereinafter collectively referred as "Erstwhile Promoter & Promoter Group"), the Acquirer had acquired 61,129,969 equity shares, representing 51.67% of the paid up Share Capital of the Company from Erstwhile Promoter & Promoter Group on May 10, 2023.

The Acquirer had also acquired 303,036 equity shares of the Company from public shareholders under the composite offer made vide Letter of Offer dated April 10, 2023 in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto and SEBI (Delisting of Equity Shares) Regulations, 2021 and subsequent amendments thereto.

Pursuant to said acquisition of shares, the Acquirer became the Promoter of the Company and holds 61,433,005 equity shares of the Company.

The Erstwhile Promoter and Promoter Group was re-classified under Public Category as per approval letter dated November 01, 2023, received from National Stock Exchange of India Limited and BSE Limited under regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

## 7. Directors & Key Managerial Personnel (KMP)

During the year under review, the following changes took place in the office of Directors of the Company:

- a. Pursuant to Share Purchase Agreement dated November 16, 2022, as amended by amendment agreement dated March 21, 2023 ("SPA"), entered into between BCP Asia II Topco II Pte. Ltd. and

Erstwhile Promoter and Promoter Group, Dr. Satinder Singh Rekhi resigned from the position of Managing Director & Chief Executive Officer of the Company w.e.f. May 10, 2023.

- b. Lt. Gen. Baldev Singh (Retd.) and Mr. Avirag Jain resigned from the position of Director of the Company w.e.f. May 10, 2023. However, they continued in the employment of the Company, except that Lt. Gen. Baldev Singh (Retd.) took retirement w.e.f. January 01, 2024.
- c. Pursuant to the shareholders' approval accorded in the 29<sup>th</sup> Annual General Meeting ("AGM") of the Company held on June 21, 2023, Mr. Amit Dalmia, Mr. Mukesh Mehta and Mr. Animesh Agrawal were appointed as Non-Executive Directors of the Company, w.e.f. May 10, 2023.
- d. Pursuant to shareholders' approval accorded in the 29<sup>th</sup> AGM, Mr. Nitesh Bansal was appointed as Managing Director and Chief Executive Officer of the Company, w.e.f. May 30, 2023.
- e. Board of Directors of the Company unanimously elected Mrs. Ruchica Gupta as the Chairperson of the Board w.e.f. May 30, 2023.

Except as stated above, there was no change in KMP(s) of the Company during the financial year ended on December 31, 2023. In terms of Section 152 of the Act, Mr. Mukesh Mehta, Non- Executive Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for reappointment.

The brief profile of Mr. Mukesh Mehta forms part of the notice of the ensuing AGM of the Company.

The Directors of R Systems have made necessary disclosures, as required under various provisions of the Companies Act, 2013 (Hereinafter referred as the "Act") and the Listing Regulations. No director of the Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013.

On the basis of the declarations submitted by the Independent Directors of the Company, the Board of Directors has opined that all the Independent Directors of the Company fulfil the required criteria as defined under Section 149(6) of the Act and the Listing Regulations. Further, the Board of Directors is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

## 8. Changes in the Capital Structure

During the year under review, there was no change in the capital structure of the Company. The share capital structure of the Company is as follows:

(Amount in ₹)

Sr. No.	Particulars	As at January 01, 2023	As at December 31, 2023
1	<b>Authorised Share Capital:</b>		
	206,000,000 equity shares of ₹ 1/- each	206,000,000	206,000,000
2	<b>Issued, Subscribed and Paid-Up Capital:</b>		
	118,303,445 equity shares of ₹ 1/- each fully paid-up	118,303,445	118,303,445

## 9. Acquisitions

Pursuant to Share Purchase Agreement dated June 7, 2023 entered into between the Company, Velotio Technologies Private Limited ("Velotio") and shareholders of Velotio, the Company completed the acquisition of 100% equity shares of Velotio on July 3, 2023, at a consideration of ₹ 2,693.74 million.

Further, on December 1, 2023, Velotio has acquired balance 60% equity shares in Scaleworx Technologies Private Limited ("Scaleworx"). Post the acquisition, Scaleworx has become wholly-owned subsidiary of Velotio.

## 10. Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 134 (1) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the year ended December 31, 2023 are as follows:

### A. Conservation of Energy

Though your Company does not have energy intensive operation, every endeavor has been made to ensure the optimal usage of energy, avoid wastage and conserve energy.

R Systems constantly evaluates new technologies and makes appropriate investments to be energy efficient. During the year ended December 31, 2023, R Systems adopted various energy conservation options/ technologies and took measures to reduce energy consumption by using energy efficient equipment and devices, replacing existing CFL fittings with LEDs fittings to reduce power consumption, timely preventive maintenance of all major and minor equipment.

The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localized areas. The Company has converted its Diesel generators to dual fuel based generators at one of its own premises. Please also refer the Business Responsibility and Sustainability Report for details on Energy consumption.

R Systems is always in search of innovative and efficient energy conservation technologies and applies them prudently. Being in the software industry, R Systems's operations are not energy intensive and energy costs constitute a very small portion of the total cost, therefore, the financial impact of these measures is not material.

### B. Technology absorption

Technology today is no longer just an enabler, rather a catalyst for exponential growth and business differentiation. Leveraging disruptive technologies such as large language models (LLM) based generative AI (Gen AI) to create new possibilities in digital product engineering and enterprise IT solutions is core to our mission.

At R Systems, Gen AI forms a pivotal block of our digital product engineering services. Embedding Gen AI capability into clients software products or building specific enterprise IT use cases that accelerate their digital transformation – delivering accuracy, speed and highly personalized experiences.

We also partner with software vendors like AWS, Google, Salesforce, Microsoft, Boomi, UiPath, and others to craft domain-specific solutions to accelerate the time-to-value and deliver exceptional customer experience (CX).

During the year ended December 31, 2023, your Company has invested in research and development around all leading digital technologies. Further, R Systems has also strengthened its proprietary solutions and frameworks optimizing the integration with digital technologies.

R Systems has setup a Center of Excellence (CoE) at the prestigious Indian Institute of Technology Delhi (IIT-Delhi) on Applied AI for Sustainable Systems. This initiative underscores the strategic priority of R Systems to promote innovation, enhance new-age skills, and develop deep tech.

### C. Foreign Exchange Earnings and Outgo (Accrual Basis)

A significant percentage of R Systems revenues are generated from exports. The development and service centre in Noida is registered with the Software Technology Park of India as 100% Export Oriented Undertaking.

All efforts of the Company are geared to increase the business of software exports in different products and markets. We have made investments in sales and marketing activities in various growing markets.

The total foreign exchange used and earned by R Systems during the year as compared with the previous year is as follows:

(₹ in Millions)

Particulars	Financial Year ended	
	31.12.2023	31.12.2022
(a) Earnings (Accrual Basis)	9,391.35	7,892.20
(b) Expenditure (Accrual Basis)	925.69	862.42
(c) CIF value of imports	17.49	48.74

## 11. Subsidiaries

As on December 31, 2023, R Systems has twenty-seven subsidiaries. The name and country of incorporation of those subsidiaries are as follows:

Sr. No.	Name of subsidiary	Country of Incorporation
1.	R Systems, Inc.	USA
2.	RSYS Technologies Ltd.	Canada
3.	R Systems Technologies Limited	USA
4.	R Systems Computaris International Limited	UK
5.	R Systems Computaris Europe S.R.L. <sup>1</sup>	Romania
6.	R Systems Computaris Poland Sp z o.o. <sup>1</sup>	Poland
7.	R Systems Computaris S.R.L. <sup>1</sup>	Moldova
8.	R Systems Computaris Malaysia Sdn. Bhd. <sup>1</sup>	Malaysia
9.	R Systems Computaris Philippines Pte. Ltd. Inc. <sup>1</sup>	Philippines
10.	R Systems Computaris Suisse Sarl <sup>1</sup>	Switzerland
11.	R Systems Consulting Services Limited <sup>2</sup>	Singapore
12.	R Systems Consulting Services (M) Sdn. Bhd. <sup>3</sup>	Malaysia
13.	R Systems Consulting Services (Thailand) Co., Ltd. <sup>3</sup>	Thailand
14.	R Systems Consulting Services (Shanghai) Co., Ltd. <sup>3</sup>	People's Republic of China
15.	R Systems Consulting Services (Hong Kong) Ltd. <sup>3</sup>	Hong Kong
16.	R Systems Consulting Services Kabushiki Kaisha <sup>3</sup>	Japan
17.	R Systems Consulting Services Company Limited <sup>3</sup>	Vietnam
18.	R Systems (Singapore) Pte. Limited	Singapore
19.	R Systems IBIZCS Pte. Ltd. <sup>4</sup>	Singapore
20.	IBIZ Consulting Services Pte. Ltd. <sup>5&amp;9</sup>	Singapore
21.	R Systems IBIZCS Sdn. Bhd. <sup>5</sup>	Malaysia
22.	PT R Systems IBIZCS International <sup>5</sup>	Indonesia

Sr. No.	Name of subsidiary	Country of Incorporation
23.	IBIZ Consulting (Thailand) Co. Ltd. <sup>5</sup>	Thailand
24.	IBIZ Consulting Service Limited <sup>5</sup>	Hong Kong
25.	IBIZ Consulting Service Shanghai Co., Ltd. <sup>6</sup>	People's Republic of China
26.	Velotio Technologies Private Limited <sup>7</sup>	India
27.	Scaleworx Technologies Private Limited <sup>8</sup>	India

<sup>1</sup>Subsidiaries of R Systems Computaris International Limited, UK.

<sup>2</sup>The shareholding held by the Company and R Systems (Singapore) Pte. Limited is 69.37% and 30.38%, respectively.

<sup>3</sup>Wholly owned subsidiary of R Systems Consulting Services Limited, Singapore.

<sup>4</sup>Wholly owned subsidiary of R Systems (Singapore) Pte. Limited, Singapore.

<sup>5</sup>Wholly owned subsidiary of R Systems IBIZCS Pte. Ltd., Singapore.

<sup>6</sup>Wholly owned subsidiary of IBIZ Consulting Services Limited - Hong Kong.

<sup>7</sup>Become subsidiary of the Company w.e.f. July 03, 2023.

<sup>8</sup>Wholly owned subsidiary of Velotio Technologies Private Limited w.e.f. December 01, 2023.

<sup>9</sup>IBIZ Consulting Services Pte. Ltd., Singapore was struck off from the Registrar of Companies w.e.f. January 08, 2024.

During the year under review, IBIZ Consultancy Services India Private Limited, wholly owned subsidiary of the Company was dissolved vide order dated April 24, 2023 of the Hon'ble National Company Law Tribunal, New Delhi ("NCLT").

During the year under review, the Company has complied with the provisions of Downstream Investment under Rule 23 of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules") and read with paragraph 9(7)(1) of RBI FED Master Direction No. 11/2017-18 dated January 04, 2018, as amended ("Master Direction"). The Company has obtained a Certificate from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company, certifying compliance with the downstream investment as mentioned in NDI Rules and Master Direction.

Subsequent to the year ended December 31, 2023, Accounting and Corporate Regulatory Authority, Singapore has approved the striking off the name of IBIZ Consulting Services Pte. Ltd., wholly owned subsidiary of R Systems IBIZCS Pte. Ltd. being 100% Subsidiary of R Systems (Singapore) Pte Limited, from the register of Companies w.e.f. January 08, 2024. It may be noted that IBIZ Consultancy Services India Private Limited and IBIZ Consulting Services Pte. Ltd. were not material subsidiaries of the Company and did not impact materially on the business of the Company.

As on date of this report, all the subsidiaries of the Company, except Velotio and Scaleworx, were incorporated and based outside India. In addition to provide services to various

international clients these subsidiaries also help to generate revenues for R Systems.

During the year, no other corporate restructuring activity was done by the Company, except as stated in this report.

The Board of Directors of the Company regularly reviews the affairs of these subsidiaries. Policy for determining material subsidiaries of the Company is available on the website of the Company at <https://www.rsystems.com/corporate-governance/policies/>.

During the year 2023, the Company had three material Subsidiaries, namely R Systems, Inc., R Systems (Singapore) Pte. Limited, and R Systems Computaris Europe S.R.L., all incorporated and based outside India.

A statement containing the salient features of the financial statements of our subsidiaries in the prescribed Form AOC-1 is attached at the end of consolidated financial statement of the Company. The statement also provides the details of performance, financial position of each of the subsidiaries.

Further, the audited annual accounts and related detailed information of our subsidiaries, wherever applicable, will be made available to shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection by the shareholders at Registered Office of R Systems i.e. GF-1-A, 6, Devika Tower, Nehru Place, New Delhi-110019 and Corporate Office of R Systems i.e. C-40, Sector 59, Noida (U.P.)-201307 and Registered Offices of the subsidiary companies concerned during business hours. The same will also be hosted on R Systems' website i.e. [www.rsystems.com](http://www.rsystems.com).

## 12. Particulars of employees

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as **Annexure A** and forms part of this report. Further, as required under the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name and other particulars of employees are set out in **Annexure B** and forms part of this report.

## 13. Employee Stock Options/ Restricted Stock Units (RSUs)

The industry in which R Systems operates is people intensive and R Systems believes that human resources play a pivotal role in the sustainability and growth of the Company. R Systems has always believed in rewarding its employees with competitive compensation packages for their dedication, hard work, loyalty and contribution towards better performance of the Company. In order to incentivize,

reward and motivate the employees to contribute effectively towards the future growth and profitability of the Company, the members of the Company, on the recommendation of the Board of Directors, approved the R Systems International Limited Management Incentive Plan 2023 ("MIP 2023"), vide resolution passed through postal ballot on November 15, 2023.

As per MIP 2023, a maximum of 8,000,000 Employee Stock Options ("Options")/ Restricted Stock Unit ("RSUs") may be offered and granted under the MIP 2023 to the employees of the Company and its subsidiaries, which upon exercise would entitle not more than 8,000,000 equity shares of face value of ₹ 1/- each of the Company.

No grant was made during the year. However, subsequent to the year ended December 31, 2023 and as on date of this report, Nomination, Remuneration and Compensation Committee ("NRCC") has granted 5,434,679 RSUs to the employees of the Company and its subsidiaries to be exercised at an exercise price of ₹ 1/- per share. The RSUs will vest subject to performance-based conditions or time-based conditions, as per the provisions of the MIP 2023 and the grant letter.

## 14. Directors' responsibility statement

Pursuant to the requirement of Section 134 (3) (c) read with Section 134(5) of the Act, with respect to directors' responsibility statement, your Board of Directors, to the best of its knowledge and ability, hereby confirm that:

- 1) in the preparation of the annual accounts for the financial year ended December 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 2) the directors had 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 and loss of the Company for that period;
- 3) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the directors had prepared the annual accounts for the financial year ended December 31, 2023 on a going concern basis;
- 5) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

- 6) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 15. Statutory Auditors and Audit Report

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [Firm's Registration No. 117366W/W-100018], were re-appointed as the statutory auditors of your Company in the AGM held on June 20, 2022 for a term of five years until the conclusion of the 33<sup>rd</sup> AGM of the Company.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated, for the financial year ended December 31, 2023. During the year 2023, the statutory auditors have not reported any matter under Section 143(12) of the Act. The said Auditors' Report(s) for the financial year ended December 31, 2023 on the financial statements of the Company forms part of the Annual Report.

## 16. Prevention and prohibition of sexual harassment of women at work place

Respect for Human Rights is a fundamental value of R Systems International Limited. At R Systems, it is our desire to promote a healthy and congenial working environment irrespective of gender, caste, creed or social class of the employees.

The Company has framed a policy on Prevention of sexual harassment of women at workplace and has constituted an Internal Complaints Committee ("ICC") under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which entertains the sexual harassment complaints made by any aggrieved women employees. During the year ended December 31, 2023, there was no case reported to ICC of sexual harassment.

## 17. Corporate Governance

As required under the Listing Regulations, the detailed report on corporate governance is given as **Annexure C** to this report and the certificate obtained from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company, regarding compliance of the conditions of corporate governance as stipulated in the Listing Regulations is annexed as **Annexure D** to this report.

## 18. Customer relations

R Systems recognizes that the customers have a choice of service providers and the directors would like to place on record their gratitude on behalf of the Company for the business provided by them. The Company's quality policy

mandates that the voice of the customer is obtained on a regular basis. We constantly review the feedback and incorporate its impact into our delivery systems and communications.

## 19. Stakeholder's relations

R Systems is inspired by its customers and its employees transform that inspiration and customers' needs into value for all stakeholders. We thank all R Systems employees worldwide for their hard work, commitment, dedication and discipline that enables the Company to accomplish its customer commitments and commitments to all its stakeholders. R Systems is certified as a Great Place To Work® in all ten countries where it has a full-time workforce and it is also recognised as one of the 'Most Preferred Workplaces in IT & ITES for the year 2023-24'. These certification and recognitions are testament to R Systems' dedication to creating an inclusive and dynamic work environment across its global operations. It highlights the Company's commitment to building a culture that values trust, collaboration, and innovation. We thank our shareholders for their continuous support and confidence in R Systems. We are aware of our responsibilities to our shareholders to provide full visibility of operations, corporate governance and creating superior shareholder value and we promise to fulfill the same. R Systems is featured as one of the 'Value Creators of India' in Dun & Bradstreet's prestigious 'India's Top 500 Value Creators 2023'. This honor is a testament to R Systems' consistent dedication to creating long-term value for all stakeholders, beyond financial growth.

## 20. Management discussion and analysis report

In terms of the Listing Regulations, Management Discussion and Analysis Report is given as **Annexure E** to this report.

## 21. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report of the Company for the financial year ended December 31, 2023 as required under Regulation 34(2)(f) of the Listing Regulations forms part of this Report as **Annexure F**.

## 22. Secretarial Auditor and Secretarial Audit Report

M/s. DPV & Associates LLP, Company Secretaries, was appointed by the Board of Directors of the Company to carry out the Secretarial Audit under the provision of Section 204 of the Act for the financial year ended December 31, 2023. The Secretarial Audit report for financial year ended December 31, 2023 is enclosed as **Annexure G**.

As per the Secretarial Audit Report, there are no qualifications, reservations or adverse remark or disclaimer in the Secretarial Report, except that there has been a non-compliance in constitution of NRCC during the period from May 30, 2023 to August 07, 2023 under Regulation 19(2) of Listing Regulations which requires that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the NRCC and shall not chair such Committee. The National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") levied penalty of ₹ 140,000/- each for the non-compliance during the period from May 30, 2023 till August 07, 2023.

The Company has rectified the said non-compliance w.e.f. August 08, 2023 and paid the penalty as levied by Stock Exchanges. The said non-compliance was inadvertent and without any malafide intention on the part of the Company.

### 23. Vigil Mechanism/ Whistle Blower Policy

In order to provide a mechanism to employees of the Company to disclose any unethical and improper practices or any other alleged wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse action against those employees, the Company has laid down a Vigil Mechanism also known as Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism or Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

### 24. Criteria for selection of candidates for Membership on the Board of Directors and the Remuneration Policy

As per the provisions of Section 178 of the Act and other relevant provisions and on the recommendation of the NRCC, the Board has framed a criterion for selection of Directors, a policy for remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Criteria for selection of candidates for Membership on the Board of Directors and the remuneration policy is available at the website of the Company <https://www.rsystems.com/corporate-governance/policies/>.

### 25. Meetings of the Board

The Board of Directors of the Company and its Committees meet at regular intervals to discuss, decide and supervise the various business policies, business strategy, Company's performance and other statutory matters. During the year under review, the Board met eleven times. The details of the meetings of the Board and its Committees are given in the Corporate Governance Report. The intervening gap between two Board Meetings did not exceed 120 days.

### 26. Committees of the Board

The Board of Directors of the Company has constituted the following Committees to focus on specific areas and take informed decisions in the best interests of the Company within authority delegated to each of the Committees:

- (a) Audit Committee
- (b) Nomination, Remuneration and Compensation Committee\*
- (c) Stakeholders' Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee
- (f) Management Committee

The details of composition of the aforesaid Committee(s), changes related thereof during the period under review, their terms of reference, meetings held and attendance of the Committee members during the financial year 2023 are provided in the Corporate Governance Report.

\*The nomenclature of Nomination & Remuneration Committee has been changed to Nomination, Remuneration and Compensation Committee w.e.f. May 10, 2023.

### 27. Audit committee

R Systems has a qualified and independent Audit Committee. The constitution of the Committee is in compliance with the provisions of the Act and the Listing Regulations. During the year, Lt. Gen. Baldev Singh (Retd.) and Mr. Aditya Wadhwa ceased to be the member of the Audit Committee w.e.f. May 10, 2023 and Mr. Amit Dalmia was appointed as member w.e.f. May 10, 2023.

Detailed description of the Audit Committee has been given in Corporate Governance Report. The terms of reference and role of the Committee are as per the rules set out in the Listing Regulations and Section 177 of the Act and rules made thereunder and includes such other functions as may be assigned to it by the Board from time to time.

The Committee has adequate powers to play an effective role as required under the provisions of the Act and Listing Regulations. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Audit Committee.

### 28. Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, its committees and the individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.



### 29. Particulars of Loans, Guarantees or investments

The details of loan, guarantees and investments covered under Section 186 of the Act are provided in the notes to accounts of the financial statements.

### 30. Related Party Disclosure

All the related party transactions entered during the year were in the ordinary course of business and on arm's length basis and in compliance with the applicable provisions of the Act and Listing Regulations. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict of interest with the Company at large. All the related party transactions are presented to the Audit Committee and the Board, as required. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the terms & conditions of the transactions. The policy on Related Party Transactions, as approved by the Board is uploaded on the Company's website at the web link <https://www.rsystems.com/corporate-governance/policies/>, details of particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in form AOC-2 has been enclosed herewith as **Annexure H**.

### 31. Risk Management

In terms of the Listing Regulations, the Board of Directors of the Company has constituted the Risk Management Committee to identify elements of risk in different areas of operations, comprising of the members of the Board of Directors of the Company.

The Company has developed and implemented a comprehensive Risk Management Policy including Cyber security for identification, assessment and monitoring of key risks that could negatively impact the Company's goals and objectives. This policy is periodically reviewed by the Risk Management Committee of the Board.

### 32. Annual Return

The Annual Return of the Company as on December 31, 2023 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.rsystems.com/investors-info/annual-reports/>.

### 33. Corporate Social Responsibility

In compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility Committee ("CSR Committee").

The constitution of the CSR Committee is in compliance with the provisions of the Act. During the year under, Mr. Amit Dalmia and Mr. Animesh Agrawal were appointed as member of CSR Committee w.e.f. May 10, 2023 and Lt. Gen. Baldev Singh (Retd.) and Mrs. Ruchica Gupta ceased to be member of CSR Committee w.e.f. May 10, 2023.

In pursuit of the responsibilities entrusted to the CSR Committee, a policy on Corporate Social Responsibility has been prepared and adopted by the Board. The objective of CSR Policy at R Systems is to support our constant endeavour to bring about positive difference to communities where we exist. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build R Systems into an organization which maximizes Stakeholder Value. The detailed policy is available at the website of the Company at following link: <https://www.rsystems.com/corporate-governance/policies/>.

Annual Report on CSR activities of the Company in format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure I** and forms part of this report.

### 34. Dividend Distribution Policy

The Board of Directors of the Company has formulated the dividend distribution policy in line with Regulation 43A of the Listing Regulations. The Policy broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and how the retained earnings shall be utilized, etc. The Dividend Distribution policy is available on the Company's website at <https://www.rsystems.com/corporate-governance/policies/>.

### 35. Internal Control System and Internal Financial Controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditors and the management monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Audit observations of Internal

Auditors and corrective actions thereon are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of the Company, has audited the financial statements for the financial year ended December 31, 2023 and has issued unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

### 36. Other Disclosures

During the financial year under review:

- the Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.
  - the Company has neither invited nor accepted any deposits from the public within the purview of the Act and the Rules made thereunder, and accordingly no amount on account of principal or interest on public deposits was outstanding as on December 31, 2023.
  - the Company has not issued shares with differential voting rights and sweat equity shares.
  - no disclosure is required under Section 67 (3) (c) of the Act in respect of voting rights not exercised directly by employees of the Company, as the provisions of the said section are not applicable.
- the Company is not required to maintain Cost records under Section 148(1) of the Act.
  - no significant or material orders were passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations.
  - no material changes and commitments have occurred after the close of the year till the date of this report which may affect the financial position of the Company except as mentioned in this report elsewhere.

### 37. Acknowledgments

Your directors once again take this opportunity to thank the employees, investors, clients, vendors, banks, business associates, regulatory authorities including Stock Exchanges, Noida Special Economic Zone Authority, Software Technology Park of India, the Central Government, State Government of Delhi, Uttar Pradesh, Maharashtra, Tamil Nadu for the business support, valuable assistance and co-operation continuously extended to R Systems. Your directors gratefully acknowledge the trust and confidence and look forward for their continued support in the future.

#### On behalf of the Board

For **R SYSTEMS INTERNATIONAL LIMITED**

#### **Ruchica Gupta**

(DIN: 06912329)

(Chairperson & Non-Executive Independent Director)

Place : Delhi

Date : May 02, 2024

#### **Nitesh Bansal**

(DIN: 10170738)

(Managing Director & Chief Executive Officer)

Place : Frisco Tx, USA

Date : May 02, 2024

## Annexure 'A' to the Directors' Report

Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name of the Director	Category	Ratio of the remuneration to the median remuneration of the employees
1.	Mrs. Ruchica Gupta	Chairperson and Non-Executive Independent Director	NA <sup>1</sup>
2.	Mr. Nitesh Bansal	Managing Director and Chief Executive Officer	NA <sup>2</sup>
3.	Mr. Mukesh Mehta	Non-Executive Director	NA <sup>3</sup>
4.	Mr. Amit Dalmia	Non-Executive Director	NA <sup>3</sup>
5.	Mr. Animesh Agrawal	Non-Executive Director	NA <sup>3</sup>
6.	Mr. Kapil Dhameja	Non-Executive Independent Director	NA <sup>1</sup>
7.	Mr. Aditya Wadhwa	Non-Executive Independent Director	NA <sup>1</sup>
8.	Dr. Satinder Singh Rekhi	Managing Director & Chief Executive Officer	NA <sup>4</sup>
9.	Lt. Gen. Baldev Singh (Retd.)	Executive Director (President & Sr. Executive Director)	NA <sup>4</sup>
10.	Mr. Avirag Jain	Executive Director (Director & CTO)	NA <sup>4</sup>

<sup>1</sup>Non-Executive Independent Directors are not entitled to any fixed or monthly salary or other remuneration except sitting fees.

<sup>2</sup>Appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 30, 2023.

<sup>3</sup>Appointed as Non-Executive Director of the Company w.e.f. May 10, 2023. Non-Executive Directors are not paid any sitting fees, fixed or monthly salary or other remuneration.

<sup>4</sup>Ceased to be Director of the Company w.e.f. May 10, 2023. Therefore, the relevant details are provided till May 10, 2023.

### B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name of the Director/CFO/CEO/CS/ Manager	Category	% increase in remuneration in the financial year
1.	Mrs. Ruchica Gupta	Chairperson and Non-Executive Independent Director	NA <sup>1</sup>
2.	Mr. Nitesh Bansal	Managing Director and Chief Executive Officer	NA <sup>2</sup>
3.	Mr. Mukesh Mehta	Non-Executive Director	NA <sup>3</sup>
4.	Mr. Amit Dalmia	Non-Executive Director	NA <sup>3</sup>
5.	Mr. Animesh Agrawal	Non-Executive Director	NA <sup>3</sup>
6.	Mr. Kapil Dhameja	Non-Executive Independent Director	NA <sup>1</sup>
7.	Mr. Aditya Wadhwa	Non-Executive Independent Director	NA <sup>1</sup>
8.	Dr. Satinder Singh Rekhi	Managing Director & Chief Executive Officer	NA <sup>4</sup>
9.	Lt. Gen. Baldev Singh (Retd.)	Executive Director (President & Sr. Executive Director)	NA <sup>4</sup>
10.	Mr. Avirag Jain	Executive Director (Director & CTO)	NA <sup>4</sup>
11.	Mr. Nand Sardana	Chief Financial Officer	4.03%
12.	Mr. Bhasker Dubey	Company Secretary and Compliance Officer	9.06%

<sup>1</sup>Non-Executive Independent Directors are not entitled to any fixed or monthly salary or other remuneration except sitting fees.

<sup>2</sup>Appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 30, 2023.

<sup>3</sup>Appointed as Non-Executive Director of the Company w.e.f. May 10, 2023. Non-Executive Directors are not paid any sitting fees, fixed or monthly salary or other remuneration.

<sup>4</sup>Ceased to be Director of the Company w.e.f. May 10, 2023.

## Annexure 'A' to the Directors' Report

**C. Percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median remuneration of the employees in the financial year was 14.24%.

**D. Number of permanent employees on the rolls of company:**

Number of permanent employees on the rolls of R Systems International Limited as at December 31, 2023 was 2,843 (on Standalone basis).

**E. 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:**

Average increase in remuneration for employees is 8% to 10% (approx.). The average increase in overall managerial remuneration is 27.73%. These increases are a function of the Company's market competitiveness within its comparator group and reflects the Company's reward philosophy as well as the result of the benchmarking exercise.

**F. Affirmation that the remuneration is as per the remuneration policy of the company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

**On behalf of the Board**

For **R SYSTEMS INTERNATIONAL LIMITED**

**Ruchica Gupta**

(DIN: 06912329)  
(Chairperson & Non-Executive  
Independent Director)

Place : Delhi

Date : May 02, 2024

**Nitesh Bansal**

(DIN: 10170738)  
(Managing Director & Chief Executive Officer)

Place : Frisco Tx, USA

Date : May 02, 2024

## Annexure 'B' to the Directors' Report



Information as per 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended December 31, 2023.  
Name of top 10 employees and employees drawing a remuneration of ₹ 1.02 crore or above per annum or drawing average remuneration of ₹ 8.5 lakhs or above per month

### a. Employed throughout the year

Sr. No	Name	Designation / nature of duties	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross Remuneration (₹)	Previous employment & designation
1.	Mandeep Singh Sodhi <sup>1&amp;7</sup>	Chief Operating Officer - R Systems USA Operations	Bachelors degree in Electronics Engineering from Marathwada University and MBA from University of California, Davis.	55	May 14, 1993	31	82,513,711	Sark-Synertek - Senior Marketing Engineer
2.	Lt. Gen. Baldev Singh (Retd.) <sup>2</sup>	President - R Systems NOIDA	Masters in Military Sciences - Madras University	83	September 1, 1997	57	13,588,588	Indian Army
3.	Avirag Jain <sup>3</sup>	EVP and Chief Technology Officer	Graduate in Science and an MBA in Finance and International business and Postgraduate diploma in Cyber Law	57	September 15, 1997	34	14,141,574	Modi Olivetti, PM - Project Manager
4.	Nand Sardana	Chief Financial officer	FCA, FCS, ACMA, CPA-USA and L.L.B.	57	September 13, 2011	34	12,714,324	Gujrat Hydrocarbons & Power SEZ Ltd. - Head Corporate & Company Secretary

### b. Employed part of the year

Sr. No	Name	Designation / nature of duties	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross Remuneration (₹)	Previous employment & designation
1.	Nitesh Bansal <sup>4&amp;7</sup>	Managing Director & Chief Executive Officer	Chartered Accountant and has pursued executive and leadership courses at INSEAD and Stanford Graduate School of Business.	47	May 30, 2023	25	81,762,505	HTC Global Services - President and COO
2.	Dr. Satinder Singh Rekhi <sup>5&amp;7</sup>	Managing Director & Chief Executive Officer	Bachelor of Technology from IIT, Kharagpur, MBA California State University, Sacramento; Senior Management programs from University of Berkeley and Harvard Business School.	73	May 14, 1993	41	21,056,106	Digital Information Systems Corporation - Senior Management Personnel

## Annexure 'B' to the Directors' Report

Sr. No	Name	Designation / nature of duties	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross Remuneration (₹)	Previous employment & designation
3.	Ramneet Singh Rekhi <sup>6&amp;7</sup>	President – Digital	MBA in Finance & Strategy from Carnegie Mellon University, Tepper School of business, and Masters of Arts in Economics from New York University.	40	July 01, 2020	12	15,067,417	R Systems, Inc., USA - Vice President

<sup>1</sup>Mr. Mandeep Singh Sodhi is related to Lt. Gen. Baldev Singh (Retd.), who ceased to be Director of the Company w.e.f. May 10, 2023.

<sup>2</sup>Ceased to be Director of the Company w.e.f. May 10, 2023 and took retirement from the employment of the Company w.e.f. January 01, 2024.

<sup>3</sup>Ceased to be Director of the Company w.e.f. May 10, 2023. However, he continues as EVP & Chief Technology Officer of the Company.

<sup>4</sup>Appointed as Managing Director and Chief Executive Officer of the Company w.e.f. May 30, 2023.

<sup>5</sup>Ceased to be Managing Director and Chief Executive Officer of the Company w.e.f. May 10, 2023.

<sup>6</sup>Mr. Ramneet Singh Rekhi is related to Mr. Satinder Singh Rekhi, who ceased to be Managing Director & Chief Executive Officer of the Company w.e.f. May 10, 2023. Mr. Ramneet Singh Rekhi resigned from the Company w.e.f. September 15, 2023.

<sup>7</sup>Employed at USA Branch of the Company. The remuneration in USD has been converted into INR using USD / INR exchange rates.

### Notes:

- Nature of employment is contractual in all the above cases.
- Particulars of employees posted and working outside India, not being directors or their relatives, drawing more than Rupees One Crore and Two Lakh Rupees per annum or Rupees Eight Lakh and Fifty Thousand per month, as the case may be, have not been included in the above statement. Any shareholder interested in obtaining full statement may write to the Company Secretary.
- None of the employees own more than 2% of the outstanding shares of the Company as on December 31, 2023.

### On behalf of the Board For R SYSTEMS INTERNATIONAL LIMITED

**Ruchica Gupta**  
(DIN: 06912329)  
(Chairperson & Non-Executive Independent Director)

**Nitesh Bansal**  
(DIN: 10170738)  
(Managing Director & Chief Executive Officer)

Place : Delhi  
Date : May 02, 2024

Place : Frisco Tx, USA  
Date : May 02, 2024

## Annexure 'C' to the Directors' Report

# Corporate Governance

### Report on Corporate Governance

#### 1. Company's Philosophy on Corporate Governance

R Systems International Limited ("R Systems" or the "Company" unless context otherwise provided) is committed to conduct its business in compliance with the applicable laws, rules and regulations and with the highest standards of business ethics. We, at R Systems, believe that good Corporate Governance is a key contributor to sustainable corporate growth and creating superior value for our stakeholders. It is primarily concerned with transparency, accountability, fairness, professionalism, social responsiveness, complete disclosure of material facts and independence of Board. R Systems endeavors its best to constantly comply with these aspects in letter and spirit, in addition to the statutory compliances as required under the Companies Act, 2013 (the "Act") and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other statutory applicable Laws and Regulations.

#### 2. Board of Directors

The Board of Directors ("Board") determines the purpose and values of the Company. The primary role of the Board is that of trusteeship so as to protect and enhance stakeholders' value through the strategic supervision of the Company and its subsidiaries.

The Company is headed by a Board that exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company.

The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

##### 2.1 Board Structure

R Systems has an optimum combination of Executive, Non-Executive and Independent Directors on its Board. During the year ended December 31, 2023, following changes took place in the composition of the Board:

- Pursuant to Share Purchase Agreement dated November 16, 2022, as amended by amendment agreement dated March 21, 2023, entered into between BCP Asia II Topco II Pte. Ltd. and Erstwhile Promoter and Promoter Group, Dr. Satinder Singh Rekhi resigned from the position of Managing Director & Chief Executive Officer of the Company w.e.f May 10, 2023.

- Lt. Gen. Baldev Singh (Retd.) and Mr. Avirag Jain resigned from the position of Director of the Company w.e.f. May 10, 2023. However, they continued in the employment of the Company except Lt. Gen. Baldev Singh (Retd.) who took retirement from the employment of the Company w.e.f. January 01, 2024.
- Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal were appointed as Non-Executive Directors of the Company w.e.f. May 10, 2023.
- Mr. Nitesh Bansal was appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 30, 2023.
- Mrs. Ruchica Gupta was designated as Chairperson of the Board of Directors of the Company w.e.f. May 30, 2023.

As at financial year ended December 31, 2023, the Board comprised of seven directors, i.e. three Non- Executive Directors, One Managing Director & Chief Executive Officer (MD & CEO) and three Non-Executive Independent Directors including one Woman Independent Director who is also the Chairperson of the Board.

In terms of Section 152 of the Act, Mr. Mukesh Mehta, Non-Executive Director, being liable to retire by rotation, shall retire at the ensuing Annual General Meeting and being eligible for reappointment, offers himself for reappointment. The brief profile of Mr. Mukesh Mehta forms part of the notice of the ensuing AGM of the Company.

In the opinion of the Board, Independent Directors of the Company fulfil the conditions specified in the Act and Listing Regulations and are independent from the management of the Company.

None of Independent Directors hold any shares of the Company as on December 31, 2023. As required under the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have been registered in the Independent Directors Databank.

The Composition of the Board of the Company has been in compliance with Regulation 17 of the Listing Regulations during the year ended December 31, 2023. It is further confirmed that none of the directors have been debarred or disqualified from being appointed or continuing as a director of the Company by the Ministry of Corporate Affairs or the Securities and Exchange Board of India or any other Statutory Authority.

Except the Managing Director & Chief Executive Officer and the Independent Directors, other directors are liable to retire by rotation as per Articles of Association of the Company and the provisions of the Act.

As on the financial year ended on December 31, 2023, there is no relationship between directors inter-se.

## 2.2 Board Functioning & Procedures

The Board meets at least once a quarter to review the quarterly performance, financial results and other business matters through video conference/ physical participation. The notice, agenda, along with the explanatory notes are sent to all the directors well in advance of the date of Board meeting to enable the Board to take informed decisions. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairperson of the meeting.

The Chief Financial Officer is invited to the Board meetings to provide financial insights, status of internal controls in the working of the Company and for discussing corporate

strategies. All material information is circulated to the directors before the meeting or is placed at the meeting, including minimum information as required to be made available to the Board under Listing Regulations, which the Board considers and takes on record. During the period under review, the Board has accepted all the recommendations of the Committees.

The minutes of the Board meetings and Committee meetings are circulated to all directors and committee members, respectively, in compliance with the Secretarial Standard-1 issued by the Institute of Company Secretaries of India (ICSI) for their review, consideration and records. The necessary quorum was present at all meetings. The gap between any two consecutive Board meetings did not exceed one hundred and twenty days. The Board periodically reviews compliance reports in respect of laws and regulations applicable to the Company.

During the year, the Board of Directors met eleven times on February 13, 2023, March 31, 2023, May 03, 2023, May 10, 2023, May 30, 2023, June 07, 2023, July 11, 2023, July 31, 2023, October 11, 2023, November 07, 2023 and December 13, 2023.

Composition, Category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson, name of the other listed companies, where such director is a Director and Category of Directorship is as follows:

Name of the Director	Category of Director	No. of Board Meetings attended in financial year ended December 31, 2023	Directorships held of Other Companies as at December 31, 2023		Committee position held in Companies as at December 31, 2023 <sup>1</sup>		Attendance at the last AGM on June 21, 2023	Other listed companies where the Director is appointed and Category as at December 31, 2023
			Indian Companies <sup>3</sup>	Body Corporates <sup>2</sup>	Chair person	Member		
<b>Mrs. Ruchica Gupta</b> (DIN- 06912329)	Chairperson & Non-Executive Independent Director	11	2	1	2	2	Yes	-
<b>Mr. Nitesh Bansal<sup>6</sup></b> (DIN-10170738)	Executive Director (Managing Director & Chief Executive Officer)	6	1	-	-	-	Yes	-
<b>Mr. Mukesh Mehta<sup>5</sup></b> (DIN: 08319159)	Non-Executive Director	6	4	4	-	-	Yes	-
<b>Mr. Amit Dalmia<sup>5</sup></b> (DIN-05313886)	Non-Executive Director	6	2	1	1	4	Yes	Mphasis Limited as Non- Executive Director
<b>Mr. Animesh Agrawal<sup>5</sup></b> (DIN-08538625)	Non-Executive Director	6	2	-	1	3	No	EPL Limited as Non- Executive Director
<b>Mr. Kapil Dhameja</b> (DIN- 02889310)	Non- Executive Independent Director	11	2	-	-	3	No	-
<b>Mr. Aditya Wadhwa</b> (DIN- 07556408)	Non- Executive Independent Director	10	-	-	-	-	Yes	-
<b>Dr. Satinder Singh Rekhi<sup>4</sup></b> (DIN- 00006955) <sup>5</sup>	Executive Director (Managing Director & Chief Executive Officer)	2	NA	NA	NA	NA	NA	NA



## Annexure 'C' to the Directors' Report

Name of the Director	Category of Director	No. of Board Meetings attended in financial year ended December 31, 2023	Directorships held of Other Companies as at December 31, 2023		Committee position held in Companies as at December 31, 2023 <sup>1</sup>		Attendance at the last AGM on June 21, 2023	Other listed companies where the Director is appointed and Category as at December 31, 2023
			Indian Companies <sup>3</sup>	Body Corporates <sup>2</sup>	Chair person	Member		
<b>Lt. Gen. Baldev Singh (Retd.)<sup>4</sup></b> (DIN- 00006966)	Executive Director (President & Sr. Executive Director)	3	NA	NA	NA	NA	NA	NA
<b>Mr. Avirag Jain<sup>4</sup></b> (DIN- 00004801)	Executive Director (Director & CTO)	4	NA	NA	NA	NA	NA	NA

<sup>1</sup> In accordance with Regulation 26 of the Listing Regulations, Membership/Chairmanship of Audit Committees and Stakeholders' Relationship Committees only in all public limited companies have been considered as at December 31, 2023 including R Systems. Committee memberships include Committee chairmanships.

<sup>2</sup> Foreign Corporates that are incorporated and having place of business outside India and Limited Liability Partnership incorporated in India.

<sup>3</sup> Includes directorship in Private Limited Companies and Public Companies excluding R Systems.

<sup>4</sup> Dr. Satinder Singh Rekhi, Lt. Gen. Baldev Singh (Retd.) and Mr. Avirag Jain ceased to be Directors of the Company w.e.f. May 10, 2023. Four meetings were held till the date of their cessation i.e. May 10, 2023.

<sup>5</sup> Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal were appointed as Non-Executive Directors w.e.f. May 10, 2023. Seven meetings were held after the date of their appointment i.e. May 10, 2023.

<sup>6</sup> Mr. Nitesh Bansal was appointed as Managing Director & Chief Executive Officer w.e.f. May 30, 2023. Six meetings were held after the date of his appointment i.e. May 30, 2023.

### 2.3 Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on R Systems' website at <https://www.rsystems.com/investors-info/corporate-governance/>.

The Company has obtained confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended December 31, 2023. A declaration to this effect given by Mr. Nitesh Bansal, Managing Director and Chief Executive Officer of the Company, is reproduced below:

#### CODE OF CONDUCT DECLARATION

I, Nitesh Bansal, Managing Director and Chief Executive Officer of R Systems International Limited, to the best of my knowledge and belief, hereby declare that all the Board members and senior management personnel have affirmed compliance with the Company's Code of Conduct for the year ended December 31, 2023.

**Nitesh Bansal**

Place: NOIDA

(Managing Director &

Date: February 12, 2024

Chief Executive Officer)

### 2.4 Core skills/ expertise/ competencies of the Board

The Board comprises 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 of Directors has identified following skills/ expertise/ competencies fundamental for the effective functioning of the Company:

1	Management and Leadership Skill	: Management and leadership experience in practical understanding in business development, processes, strategic planning, risk management etc.
2	Information Technology	: Knowledge or experience in information technology business with an ability to foresee technological trends and emerging areas of technology such as digital, artificial intelligence, cloud and cyber security.
3	Strategy and Planning	: Strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
4	Functional and managerial experience	: Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, human resources, Indian laws, international markets, sales and marketing, and risk management.
5	Governance and Compliance	: Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability and driving corporate ethics and values.

Following is the list of core skills, expertise and competencies of each Director:

Name of Director	Skills/Expertise/Competencies				
	Management and Leadership Skill	Information Technology	Strategy and Planning	Functional and managerial experience	Governance and Compliance
<b>Mrs. Ruchica Gupta</b>	✓	-	✓	✓	✓
<b>Mr. Nitesh Bansal</b>	✓	✓	✓	✓	✓
<b>Mr. Mukesh Mehta</b>	✓	✓	✓	✓	✓
<b>Mr. Amit Dalmia</b>	✓	✓	✓	✓	✓
<b>Mr. Animesh Agrawal</b>	✓	✓	✓	✓	✓
<b>Mr. Kapil Dhameja</b>	✓	-	✓	✓	✓
<b>Mr. Aditya Wadhwa</b>	✓	-	✓	✓	✓

**Note:** Above skills/ competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/ experience listed therein.

## 2.5 Familiarization to Independent Directors

The Company follows a structured orientation and training programme for the Independent Directors to understand and get updated on the business and operations of the Company on continuous basis.

The Board has adopted a structured policy for training of Independent Directors which shall inter-alia provide:

- nature of the industry in which the listed entity operates;
- business model of the listed entity;
- roles, rights, responsibilities of independent directors;

As part of ongoing training, the Managing Director, CFO, Business and functional heads of the Company meet with the Independent Directors to brief them on the various aspects on business and operational performance, Functional Excellence, Risk Assessment, Economy and Business Trends, updations on Statutory Regime etc.

The details of the Familiarization Programmes are available on the website of the Company at the following link: <https://www.rsystems.com/corporate-governance/policies/>.

The Company believes that the Board is continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole.

## 2.6 Separate Meeting of Independent Directors

As stipulated under the Provisions of the Act and Listing Regulations, a separate meeting of the Independent Directors was held on December 04, 2023 which was attended by all the Independent Directors of the Company. The Independent Directors have inter-alia assessed the flow of information between the Management and the Board and reviewed the performance of the Non-Independent Directors, Board as a whole and the Chairperson of the Board considering the views of Executive Director and Non-Executive Directors.

## 2.7 Performance Evaluation

In terms of the provisions of the Act, Listing Regulations and as per the recommendation of the Nomination, Remuneration and Compensation Committee, Board has adopted a formal mechanism for evaluating its performance, as well as that of its committees and individual directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & Committees, experience & competencies, leadership attribute of the directors through vision and values, strategic thinking and decision making, commercial and business acumen, contribution to resolution of divergent views, proactive participation, time commitment, teamwork skills and adequacy of business strategy.

## Annexure 'C' to the Directors' Report

### 3. INFORMATION OF SENIOR MANAGEMENT

Details of Senior Management Personnel ("SMP") as at December 31, 2023 as defined under Regulation 16(1)(d) of Listing Regulations are as follows:

Sr. No.	Name of SMPs	Designation
1.	Mr. Nitesh Bansal	Managing Director & Chief Executive Officer
2.	Lt. Gen. Baldev Singh (Retd.)	President- R Systems NOIDA*
3.	Mr. Avirag Jain	EVP & Chief Technology Officer
4.	Mr. Nand Sardana	Chief Financial Officer
5.	Mr. Mandeep Singh Sodhi	Chief Operating Officer
6.	Mr. Bhasker Dubey	Company Secretary & Compliance Officer

\* Took Retirement w.e.f. January 01, 2024.

During the year, following changes took place in Senior Management of the Company:

- Dr. Satinder Singh Rekhi resigned as Managing Director & Chief Executive Officer w.e.f. May 10, 2023.
- Mr. Ramneet Rekhi resigned as President R Systems Digital BU (SMP of the Company) w.e.f. close of Business Hours on September 15, 2023.

Further, subsequent to year ended December 31, 2023, Mr. Arun Raghavapudi has joined the Company as Chief Customer Officer ("CCO") w.e.f. January 10, 2024 and Mr. Sanjay Sahay has joined the Company as Chief Marketing Officer ("CMO") w.e.f. April 08, 2024.

### 4. BOARD COMMITTEES

R Systems has formulated the following committees of its Board of Directors:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

#### 4.1 Audit Committee

R Systems has a qualified and Independent Audit Committee. During the year, the Audit Committee met seven times on February 13, 2023, March 31, 2023, May 03, 2023, July 11, 2023, July 31, 2023, October 11, 2023 and November 07, 2023.

Composition of Audit Committee and details of the attendance at the seven Audit Committee meetings held during the financial year 2023 are as follows:

Name of Director	Category of Director	Position	No. of meetings held	No. of meetings attended
Mrs. Ruchica Gupta	Non-Executive Independent Director	Chairperson	7	7
Mr. Amit Dalmia <sup>1</sup>	Non-Executive Director	Member	4	3
Lt. Gen. Baldev Singh (Retd.) <sup>2</sup>	Executive Director	Member	3	3
Mr. Kapil Dhameja	Non-Executive Independent Director	Member	7	7
Mr. Aditya Wadhwa <sup>2</sup>	Non-Executive Independent Director	Member	3	2

<sup>1</sup>Mr. Amit Dalmia was appointed as member w.e.f. May 10, 2023. Four meetings of the committee were held after the date of their appointment.

<sup>2</sup>During the year under review, Lt. Gen. Baldev Singh (Retd.) and Mr. Aditya Wadhwa ceased to be the member of the Audit Committee w.e.f. May 10, 2023. Three meetings of the committee were held till the date of their cessation.

The Audit Committee invites such executives of the Company as it considers appropriate to be present at its meetings. The representatives of the Statutory Auditors and Internal Auditors are also invited to the Audit Committee meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

#### **Powers of the Audit Committee**

The Audit Committee has adequate powers to play an effective role as required under the provisions of the Act and the Listing Regulations and to review the mandatory applicable information. The Audit Committee shall have powers which shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To have full access to information contained in the records of the Company.
4. To obtain outside legal or other professional advice.
5. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Terms of reference of the Audit Committee**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Discussion 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading

## Annexure 'C' to the Directors' Report

the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. To review the utilization of loans and/ or advances from/ investment by the company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
21. To review "Internal Controls to prevent Insider Trading" and shall review compliances with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that

the systems for internal control are adequate and are operating effectively.

22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. To carry any other duties as may be required under the SEBI (Listing Obligation & Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder and delegated by the Board of Directors from time to time.

### 4.2 Nomination, Remuneration and Compensation Committee

During the year under review, the nomenclature of Nomination and Remuneration Committee was changed to Nomination, Remuneration and Compensation Committee ("NRCC"). In compliance with the provisions of Section 178 of the Act and the rules made thereunder and Regulation 19 of Listing Regulations, NRCC consists only of Non-Executive/ Independent Directors with the Independent Director being the Chairman of the Committee.

During the year, NRCC met five times on February 13, 2023, March 31, 2023, May 10, 2023, May 30, 2023 and October 11, 2023.

Composition of NRCC and details of the attendance at the five meetings held during the financial year 2023 are as follows:

Name of Member	Category of Director	Position	No. of meetings held	No. of meetings attended
Mr. Kapil Dhameja	Non-Executive Independent Director	Chairman <sup>1</sup>	5	5
Mrs. Ruchica Gupta	Non-Executive Independent Director	Member <sup>1</sup>	5	5
Mr. Mukesh Mehta <sup>2</sup>	Non-Executive Director	Member	2	1
Mr. Aditya Wadhwa <sup>2</sup>	Non-Executive Independent Director	Member	3	2

<sup>1</sup> Mr. Kapil Dhameja was designated as Chairman of NRCC w.e.f. August 08, 2023 and Mrs. Ruchica Gupta ceased to be the Chairperson of NRCC w.e.f. August 08, 2023.

<sup>2</sup> Mr. Mukesh Mehta was appointed as member of NRCC w.e.f. May 10, 2023. Two meetings of the committee were held after the date of his appointment as member in NRCC.

<sup>3</sup> Mr. Aditya Wadhwa ceased to be member of the Committee w.e.f. May 10, 2023. Three meetings of the committee were held till his cessation as member of NRCC.

The Terms of reference and role of NRCC covers the area as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, senior management personnel and other employees. For every appointment of an independent director, the Nomination, Remuneration and Compensation Committee shall evaluate 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 of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. uses the services of an external agencies, if required,

b. considers candidates from a wide range of backgrounds, having due regard to diversity; and

c. considers the time commitments of the candidates.

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. Devising a policy on diversity of board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

5. 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;
6. Recommend to the board, all remuneration, in whatever form, payable to senior management;
7. Recommend to the board, the incentive compensation plan and equity based plan;
8. Formulation, implementation and administration of all the stock option plans;
9. Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
10. To carry any other duties as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder or as may be delegated by the Board of Directors from time to time.

#### i. Remuneration Policy and its salient features

The remuneration policy of the Company reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders and guided by a common reward framework and set of principles and objectives with the intent to attract develop and retain talent to ensure long term sustainability of talented managerial persons and to create a competitive advantage.

The Nomination and Remuneration Policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of the Company is available on our website, at <https://www.rsystems.com/corporate-governance/policies/>. The salient points of the remuneration policy for the directors and executives are given below:

##### a) Executive Directors' Remuneration

The Managing Director and Executive Directors of the Company (i.e. Whole time Director as defined in the Act), shall be paid such

remuneration as may be proposed by NRCC and subsequently approved by the Board of Directors and Shareholders within the overall limits prescribed under the Companies Act, 2013 or under the provision of any other laws as may be applicable. The Remuneration of Executive Directors is broadly divided into fixed and variable components.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provision of the Companies Act, 2013 and rules made thereunder.

##### b) Remuneration for Non-Executive Directors

Non-Executive members of the Board shall be entitled for sitting fees for attending the meetings of the Board or committees thereof. The sitting fee will be fixed by the Board of Directors from time to time in accordance with the provisions of the Act and other applicable rules and regulations. Non-Executive directors shall not be entitled to any fixed or monthly salary or other remuneration.

##### c) Key Managerial Personnel, Senior Management Personnel and other employees.

The KMP (Except for Managing Director and Whole-time Director), Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/ or as may be approved by the Committee. The Company shall follow a compensation mix of fixed component and variable component.

The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

#### Brief terms of employment and details of remuneration paid to the executive directors during the year ended December 31, 2023

(Amount in ₹)

Sr. No.	Particulars	Dr. Satinder Singh Rekhi*	Lt. Gen. Baldev Singh (Retd.)*	Mr. Avirag Jain*	Mr. Nitesh Bansal®
a)	Salary, benefits and allowances (fixed)	13,849,664	3,167,561	2,328,453	26,681,611
b)	Bonus / incentives / variable pay	7,206,442 <sup>^</sup>	1,702,834 <sup>§</sup>	3,327,540 <sup>§</sup>	54,872,824 <sup>#</sup>

## Annexure 'C' to the Directors' Report

(Amount in ₹)

Sr. No.	Particulars	Dr. Satinder Singh Rekhi*	Lt. Gen. Baldev Singh (Retd.)*	Mr. Avirag Jain*	Mr. Nitesh Bansal®
c)	Provident fund/ Retiral benefits	Nil	172,730	97,996	208,070
d)	Pension	Not Applicable	As per the applicable policy for employees	As per the applicable policy for employees	As per Employment Agreement dated May 30, 2023
e)	Shareholding in R Systems as on December 31, 2023	Not Applicable*	Not Applicable*	Not Applicable*	Nil

\* Dr. Satinder Singh Rekhi, Lt. Gen. Baldev Singh (Retd.) an Mr. Avirag Jain Ceased to be Director of the Company w.e.f. May 10, 2023. Therefore, their remuneration and other details as Directors are provided till May 10, 2023.

® Mr. Nitesh Bansal was appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 30, 2023. Therefore, his remuneration details are provided w.e.f. May 30, 2023.

\* Incentive is based on the fixed percentage of Profit After Tax.

§ Incentive is based on the fixed percentage of qualifying revenue.

# Includes one-time sign-on bonus of ₹ 24,721,815.

§ Contribution to 401K Plan.

The term of appointment of Mr. Nitesh Bansal as Managing Director and Chief Executive Officer is for five years w.e.f. May 30, 2023. The details of service contracts, notice period and severance fees etc. are governed by the Employment Agreement executed with Mr. Nitesh Bansal on May 30, 2023.

On January 17, 2024, NRCC granted 2,841,546 Restricted Stock Units (RSUs) to Mr. Nitesh Bansal, Managing Director & Chief Executive Officer of the Company. RSUs will vest subject to performance-based conditions as per the provisions of the R Systems International Limited Management Incentive Plan 2023 and the grant letter. The exercise price of the RSUs shall be the face value of the equity shares i.e. ₹ 1/- each.

The aforementioned directors' remuneration is pursuant to recommendation of the NRCC, approval of the Board and shareholders of the Company in compliance with the provisions of the Act and Listing Regulations.

### Criteria and details of payment of remuneration to the non-executive directors during the year ended December 31, 2023

Non-Executive members of the Board are entitled for sitting fees for attending the meetings of the Board or committees thereof. The sitting fees has been fixed by the Board of Directors in accordance with the provisions of the Act and other applicable provisions of the law, if any. Non-executive directors are not entitled to any fixed or monthly salary or other remuneration.

The sitting fees paid to the Non-Executive Directors during the year ended December 31, 2023 is as follows:

(Amount in ₹)

Sr. No.	Name of the Director	Category of Director	Sitting Fees Paid
1.	Mrs. Ruchica Gupta	Non-Executive Independent Director	595,000
2.	Mr. Kapil Dhameja	Non-Executive Independent Director	560,000
3.	Mr. Aditya Wadhwa	Non-Executive Independent Director	490,000
4.	Mr. Mukesh Mehta	Non-Executive Director	-
5.	Mr. Amit Dalmia	Non-Executive Director	-
6.	Mr. Animesh Agrawal	Non-Executive Director	-
<b>Total</b>			<b>1,645,000</b>

#### Note:

- As on December 31, 2023, none of the existing Non-Executive Directors and Independent Directors of the Company hold any shares, options or any other convertible instruments in the Company.

### 4.3 Stakeholders' Relationship Committee

As on December 31, 2023, the Stakeholders' Relationship Committee of R Systems comprised of three members with Non-Executive Director as its Chairman as per the provisions of Section 178 of the Act and the rules made thereunder and Regulation 20 of the Listing Regulations. Stakeholders' Relationship Committee looks into various aspects of interest of shareholders.

During the year, the Stakeholders' Relationship Committee met three times on February 13, 2023, May 03, 2023 and July 31, 2023.

Composition of Stakeholders' Relationship Committee and details of the attendance at the three meetings of Stakeholders' Relationship Committee held during the financial year 2023 are as follows:

Name of Member	Category of Director	Position	No. of meetings held	No. of meetings attended
Mr. Amit Dalmia <sup>1</sup>	Non-Executive Director	Chairman	1	1
Mr. Animesh Agrawal <sup>1</sup>	Non-Executive Director	Member	1	1
Mr. Kapil Dhameja	Non-Executive Independent Director	Member	3	3
Mrs. Ruchica Gupta <sup>2</sup>	Non-Executive Independent Director	Member	2	2
Lt. Gen. Baldev Singh (Retd.) <sup>2</sup>	Executive Director	Member	2	2

<sup>1</sup> Mr. Amit Dalmia and Mr. Animesh Agrawal were appointed as member of Stakeholders' Relationship Committee w.e.f. May 10, 2023. From the date of their appointment, one meeting of Stakeholders' Relationship Committee was held.

<sup>2</sup> Lt. Gen. Baldev Singh (Retd.) and Mrs. Ruchica Gupta ceased to be member of Stakeholders' Relationship Committee. Till their cessation, two meetings of Stakeholders' Relationship Committee were held.

The Terms of reference and role of Stakeholders' Relationship Committee covers the area as under:

- Resolving the grievances of the security holders of the Company 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- To carry any other duties as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and rules made thereunder and delegated by the Board of Directors from time to time.

#### Name and designation of the Compliance Officer and Nodal Officer for IEPF Compliance

##### Mr. Bhasker Dubey

Company Secretary & Compliance Officer

C - 40, Sector - 59, Noida (U.P.) 201 307

Tel No.: 0120 - 430 3500

**Email:** [investors@rsystems.com](mailto:investors@rsystems.com)

#### Shareholders grievances/ complaints received and resolved during the year:

(i)	Number of shareholders' complaints received during the year ended December 31, 2023	9
(ii)	Number of complaints not resolved to the satisfaction of shareholders	Nil
(iii)	Number of pending complaints	Nil

### 4.4 Corporate Social Responsibility Committee

At R Systems, it has been our constant endeavour to bring about a positive difference to communities where we exist. Corporate Social Responsibility ("CSR") is deeply rooted in our core values. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build an organization which maximizes Stakeholder Value. Policy on Corporate Social Responsibility of the Company is available at the website of the Company at following link: <https://www.rsystems.com/investors-info/corporate-governance/>. CSR for us is not merely the means to run our business successfully but the part of our individual responsibilities as global citizens.

During the year, the CSR Committee met on February 13, 2023.



## Annexure 'C' to the Directors' Report

Composition of CSR Committee and details of the attendance at the meeting of CSR Committee held during the financial year 2023 are as follows:

Name of the member	Category of Director	Position	No. of meetings held	No. of meetings attended
Mr. Amit Dalmia <sup>1</sup>	Non-Executive Director	Chairman	-	-
Mr. Animesh Agrawal <sup>1</sup>	Non-Executive Director	Member	-	-
Mr. Kapil Dhameja	Non-Executive Independent Director	Member	1	1
Lt. Gen. Baldev Singh (Retd.) <sup>2</sup>	Executive Director	Member	1	1
Mrs. Ruchica Gupta <sup>2</sup>	Non-Executive Independent Director	Member	1	1

<sup>1</sup> Mr. Amit Dalmia and Mr. Animesh Agrawal were appointed as member of CSR Committee w.e.f. May 10, 2023. From the date of their appointment as member of CSR Committee, no meeting of the Committee was held.

<sup>2</sup> Lt. Gen. Baldev Singh (Retd.) and Mrs. Ruchica Gupta ceased to be member of CSR Committee w.e.f. May 10, 2023. Till their cessation one meeting of CSR Committee was held.

The Terms of reference and role of CSR Committee covers the area as under:

1. Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to above;
3. Monitor the CSR Policy of the Company from time to time;
4. Formulate and recommend to the Board an annual action plan;
5. To carry any other duties as may be required under the Companies Act, 2013 and rules made thereunder and delegated by the Board of Directors from time to time.

### 4.5 Risk Management Committee

#### Brief description and terms of reference

Risk Management is a dynamic process which should constantly be able to identify all the emerging risks and propose solutions to manage them. The Risk Management Committee was constituted by the Board for designing, implementing, monitoring, reviewing and continually improving risk management of the Company. During the year, the Risk Management Committee met two times on February 13, 2023, and August 10, 2023.

Composition of Risk Management Committee and details of the attendance at the two meetings of Risk Management Committee held during the financial year 2023 are as follows:

Name of the member	Category of Director	Position	No. of meetings held	No. of meetings attended
Mr. Amit Dalmia <sup>1</sup>	Non-Executive Director	Chairman	1	1
Mr. Animesh Agrawal <sup>1</sup>	Non-Executive Director	Member	1	-
Mr. Kapil Dhameja	Non-Executive Independent Director	Member	2	2
Lt. Gen. Baldev Singh (Retd.) <sup>2</sup>	Executive Director	Member	1	1
Mrs. Ruchica Gupta <sup>2</sup>	Non-Executive Independent Director	Member	1	1

<sup>1</sup> Mr. Amit Dalmia and Mr. Animesh Agrawal were appointed as member of Risk Management Committee w.e.f. May 10, 2023. From the date of their appointment as member, one meeting of Risk Management Committee was held.

<sup>2</sup> Lt. Gen. Baldev Singh (Retd.) and Mrs. Ruchica Gupta ceased to be member of Risk Management Committee. Till their cessation, one meeting of Risk Management Committee was held.

The Terms of reference and role of Risk Management Committee of the Company shall:

1. Formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan.

2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if required).

#### 4.6 Management Committee

In order to enhance effective Board Functionality and more efficient time utilization of Board. The Board of Directors of the Company has constituted the Management Committee on July 11, 2023 to transact certain business matters, as delegated by the Board.

Composition of the Management Committee and details of the attendance at the one meeting of Management Committee held during the financial year 2023 are as follows:

Name of the member	Category of Director	Position	No. of meetings held	No. of meetings attended
Mrs. Ruchica Gupta	Non-Executive Independent Director	Chairperson	1	1
Mr. Nitesh Bansal	Managing Director & Chief Executive Officer	Member	1	1
Mr. Animesh Agrawal	Non-Executive Director	Member	1	1
Mr. Nand Sardana	Chief Financial Officer	Member	1	1

#### 5. Subsidiary Companies

As at December 31, 2023, the Company has twenty seven subsidiaries including step down subsidiaries.

During the year under review, as per Hon'ble National Company Law Tribunal order dated April 24, 2023, IBIZ Consulting Services India Private Limited has been dissolved w.e.f. April 24, 2023 under Section 59 of the Insolvency and Bankruptcy Code, 2016 and rules made thereunder.

Pursuant to Share Purchase Agreement dated June 07, 2023, the Company acquired 100% equity shares in Velotio Technologies Private Limited ("Velotio") w.e.f. July 03, 2023. Velotio Technologies Private Limited had an associate company, namely Scaleworx Technologies Private Limited ("Scaleworx") where Velotio held 40% equity shares. On December 01, 2023, Velotio acquired additional 60% shares in Scaleworx. Consequent to this acquisition, Scaleworx became the wholly owned subsidiary of Velotio.

Subsequent to the year ended December 31, 2023 and as per approval of Accounting and Corporate Regulatory Authority, Singapore, the name of IBIZ Consulting Services Pte Ltd., a step down wholly owned subsidiary of the Company in Singapore, has been stricken off from the register of Companies, Singapore, w.e.f. January 08, 2024.

It may be noted that IBIZ Consulting Services India Private Limited and IBIZ Consulting Services Pte Ltd. were not material subsidiaries of the Company and their closure did not impact materially on the business of the Company.

The Audit Committee reviewed the financial statements, in particular, the investments made by unlisted subsidiaries of the Company. The management periodically brings to the attention of the board of directors of R Systems, a statement of all transactions and arrangements entered into by the unlisted subsidiaries. Copies of the minutes of the Board meetings of subsidiary companies are also presented at the Board meeting of the Company.

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Auditors	Date of appointment of Auditors
R Systems, Inc.,	March 09, 1993*	California, USA	Deloitte Haskins & Sells LLP, Chartered Accountants	April 14, 2023
R Systems Computaris Europe S.R.L.	November 06, 2001**	Romania	BDO Audit S.R.L.	March 28, 2022
R Systems (Singapore) Pte. Ltd.	November 10, 1997***	Singapore	HLB Atrede LLP, Public Accountants and Chartered Accountants	April 17, 2023

\*Subsidiary of the Company since January 2, 2001.

\*\*Step Down subsidiary of the Company since January 26, 2011.

\*\*\*Subsidiary of the Company since September 19, 2000.

## Annexure 'C' to the Directors' Report

All the material subsidiaries are incorporated and based outside India.

Mrs. Ruchica Gupta, Non-Executive Independent Director of the Company holds position of Director in R Systems, Inc., material subsidiary of the Company.

In terms of the provisions of Listing Regulations, the policy for determining Material Subsidiary and such policy is available on the Company's website at the link <https://www.rsystems.com/corporate-governance/policies/>.

### 6. General Body Meetings

i. Details for the last three Annual General Meetings ("AGM"):

AGM Date & Time	Venue	Special Resolutions Passed
27 <sup>th</sup> AGM May 19, 2021 10:00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> <li>Approval of the payment of Remuneration to Dr. Satinder Singh Rekhi as Managing Director &amp; Chief Executive Officer of the Company.</li> <li>Re-appointment and remuneration of Lt. Gen. Baldev Singh (Retd.) (DIN: 00006966) as President and Senior Executive Director of the Company.</li> <li>Re-appointment of Mrs. Ruchica Gupta (DIN: 06912329), as Non-Executive Independent Director of the Company.</li> <li>Re-appointment of Mr. Kapil Dhameja (DIN: 02889310), as Non-Executive Independent Director of the Company.</li> <li>Re-appointment of Mr. Aditya Wadhwa (DIN: 07556408), as Non-Executive Independent Director of the Company.</li> <li>Payment of performance bonus to Mr. Avirag Jain, Director &amp; Chief Technology Officer of the Company.</li> </ul>
28 <sup>th</sup> AGM June 20, 2022 09:30 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> <li>Revision in the terms of payment of remuneration to Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director of the Company.</li> <li>Revision in the terms of payment of remuneration to Mr. Avirag Jain, Director &amp; Chief Technology Officer of the Company.</li> </ul>
29 <sup>th</sup> AGM June 21, 2023 09:30 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> <li>Ratify the period of extension of the tenure of Lt. Gen. Baldev Singh (Retd.), President &amp; Sr. Executive Director of the Company.</li> </ul>

ii. No Extra-ordinary General Meeting of the Company was held during the last three years.

iii. During the year under review, the Company has passed following resolutions through Postal Ballot by way of Special Resolution and in accordance with Regulation 26(6) of Listing Regulation, 2015:

- Approval of R Systems International Limited Management Incentive Plan 2023 for Grant of Options/ Restricted Stock Units to the eligible employees of the Company.
- Approval of R Systems International Limited Management Incentive Plan 2023 for grant of Options/ Restricted Stock Units to the eligible employees of Group Companies (Including Subsidiaries and Associate Companies) of the Company.
- Approval of the Grant of Options/ Restricted Stock Unit to the employee exceeding 1% of the Issued Capital of the Company.

4. Proposed remuneration of Mr. Nitesh Bansal, Managing Director & Chief Executive Officer of the Company.

Details relating to voting on the aforesaid resolutions are available at the following weblink: <https://www.rsystems.com/investors-info/postal-ballot/>.

The Company appointed Mr. Devesh Kumar Vasisht of DPV & Associates LLP, Company Secretaries (Firm Registration No.: L2021DE009500) as scrutinizer ("Scrutinizer") for conducting the aforesaid postal ballots and e-voting process in a fair and transparent manner.

iv. No special resolution is proposed to be conducted through Postal Ballot at the forthcoming Annual General Meeting.

## 7. Disclosures

### 7.1 Related Party Transactions

Related Party Transactions are defined as transfer of resources, services or obligations between the company, its subsidiaries and their related parties, regardless of whether a price is charged. As per Listing Regulations, there have been no materially significant related party transactions with Company's subsidiaries, promoters, directors or the management or their relatives or companies controlled by them etc., which may have conflict with the interest of the Company at large. Details on Related Party Transactions are shown in note number 35 in the standalone and consolidated financial statements for the financial year ended December 31, 2023.

The Policy on the Material Subsidiary is available on the website of the Company at the following link: <https://www.rsystems.com/corporate-governance/policies/>.

In compliance of the provisions of Listing Regulations, the policy on dealing with Related Party Transactions has been uploaded on the website of the Company at the following link: <https://www.rsystems.com/corporate-governance/policies/>.

### 7.2 Statutory Compliance, Penalties and Strictures

National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") have levied a penalty of ₹ 140,000/- each for non-compliance of Regulation 19(2) of Listing Regulations, w.r.t. composition of the Nomination, Remuneration and Compensation Committee during the period from May 30, 2023 to August 07, 2023. The said non-compliance was inadvertent and without any malafide intention on the part of the Company. The said penalty has been paid and non-compliance had been corrected w.e.f. August 08, 2023.

Except aforesaid, there were no penalties imposed on R Systems for any non-compliance by Stock Exchanges, SEBI or any other statutory authority on matters related to capital markets during the last three years.

### 7.3 Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177 of the Act and rules made thereunder and the Listing Regulations, R Systems has in place a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimisation of employees who avail the mechanism and also provides for direct access to the Whistle Blower to the Chairperson of the Audit Committee. We affirm that during the financial year ended December 31, 2023, no employee has been denied access to the Audit Committee. The Company had received two complaints on the designated email id of Audit

Committee which were duly resolved with in the statutory time limit. The details of such Whistle Blower policy (also known as Vigil Mechanism) have been available on the website of the Company at the link: <https://www.rsystems.com/corporate-governance/policies/>.

### 7.4 Risk Management Policy

The Company has formulated a risk management policy to identify the present and potential risks involved in the business. The same is periodically reviewed and considered by the Risk management Committee and the Board. The Risk Management Report forms part of the Annual Report and is provided elsewhere.

### 7.5 Compliance with mandatory requirements and adoption of non-mandatory requirements of Regulation 27(1) read with Part-E of Schedule-II of the Listing Regulations

The Company has complied with all the mandatory requirements of Listing Regulations except a non compliance as mentioned in para 7.2 above.

As required under Regulation 17(8) of the Listing Regulations, a certificate signed by MD & CEO and CFO of the Company has been placed before the Board and the same forms part of this Report.

Further, pursuant to Regulation 34 (3) read with Part E of Schedule V of the Listing Regulations a certificate obtained from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company, certifying compliance with the conditions of Corporate Governance has been annexed with the Directors' Report. 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 the Listing Regulations and para C and D of Schedule V of the Listing Regulations.

Disclosure with respect to demat suspense account/ unclaimed suspense account is not applicable on the Company as there are no shares which are lying in demat suspense account/ unclaimed suspense account.

As on the date of this report a total of 45,537 equity shares of the Company are lying in the Investor Education and Protection Fund Account.

Regulation 27(1) of the Listing Regulations also requires disclosures of adoption by the Company of non-mandatory requirements specified in part E of Schedule II of the Listing Regulations. The details of compliance with discretionary requirements are as follows:

#### The Board

In compliance with regulation 17 of the Listing Regulations, the Company has an optimum combination of executive and non-executive directors with an Independent Director as Chairperson of the Board.

## Annexure 'C' to the Directors' Report

### Shareholders Rights

The quarterly and half yearly financial performance of the Company are published in the newspapers and are also posted on the Company's website. Further quarterly financial performance are also sent to the e-mails of the shareholders of the Company who have valid e-mail ids registered with their Depository Participants (DPs)/ Company.

### Modified Opinion in Audit Report

During the period under review, there is no audit qualification in the financial statements. The Company continues to adopt best practices to ensure unqualified financial statements.

### Reporting of Internal Auditor

The Internal auditors of the Company reports to the Audit Committee.

### 7.6 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Respect for Human Rights is a fundamental value of R Systems. At R Systems, it is our desire to promote a healthy and congenial working environment irrespective of gender, caste, creed or social class of the employees. We value every individual and are committed to protect the dignity and respect of every individual. The Company has always endeavored for providing a better and safe environment free of sexual harassment at all its work places. Consequent to the enactment of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Management of R Systems has constituted an Internal Complaints Committee ("ICC") to deal with any complaints or issues that may arise, in the nature of sexual harassment of women employees. The Committee is composed of internal members and an external member who has extensive experience in the field. The Company has also prepared and implemented Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. During the year ended December 31, 2023, no case of sexual harassment of women was reported to ICC.

### 7.7 Certificate from Company Secretary in practice regarding Non-disqualification of Directors

M/s. DPV & Associates, LLP has issued a certificate under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Company by SEBI, Ministry of Corporate Affairs or any such statutory authority. The said certificate is enclosed as **Annexure-1** to this report.

### 7.8 Details of total fees paid to Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, have been appointed as the Statutory Auditors of the

Company. The particulars of payment made to the statutory auditor and all entities in its network for the Financial Year ended December 31, 2023 are as follows:

	(Amount in ₹)
Total Fees paid by the Company for the audit and related services to M/s. Deloitte Haskins & Sells LLP.	5,700,000
Total Fees paid by the Subsidiaries for the audit and related services to M/s. Deloitte Haskins & Sells LLP and all entities in its network.	4,304,083
Other fees paid by the Company and its subsidiaries to M/s. Deloitte Haskins & Sells LLP and to all entities in its network.*	2,199,136

\* Including out of pocket expenses.

## 8. Means of Communication

- The quarterly and year to date audited/ unaudited financial results are published in the leading newspaper of India namely Business Standard.
- The financial results and other corporate information are available on R Systems' website [www.rsystems.com](http://www.rsystems.com). The website also displays important events such as AGM(s), Buyback(s), Arrangement(s) etc. and official news releases from time to time announced by the Company.
- The presentations made to the institutional investors or to the industry analysts are also available on the Company's website [www.rsystems.com](http://www.rsystems.com).
- Financial results are also sent to all the shareholders whose email address is registered with their Depository Participants (DPs)/ Company.

## 9. General Shareholder Information

### 9.1 Annual General Meeting

Date and Time	: Thursday, June 13, 2024
Venue	: Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

### 9.2. Financial year

Pursuant to the Company Law Board order dated November 18, 2015, R Systems continues to follow January 01 to December 31 as its financial year. The results for every quarter are declared within forty five days following each quarter, except for the last quarter in which case the results are declared along with the annual financial results within sixty days from the end of the financial year.

### 9.3 Date of Book Closure- N.A.

### 9.4 Dividend Payment Date - N.A.

## 9.5 Listing on Stock Exchanges

The equity shares of R Systems are listed and traded on the following Stock Exchanges:

Name of Stock Exchanges	Stock/ Scrip Code
National Stock Exchange of India Limited ("NSE") Exchange Plaza, Bandra Kurla Complex, Bandra - (E), Mumbai - 400 051	RSYSTEMS
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532735

The annual listing fee for the year 2023-24 and 2024-25 has been paid within the scheduled time to NSE and BSE.

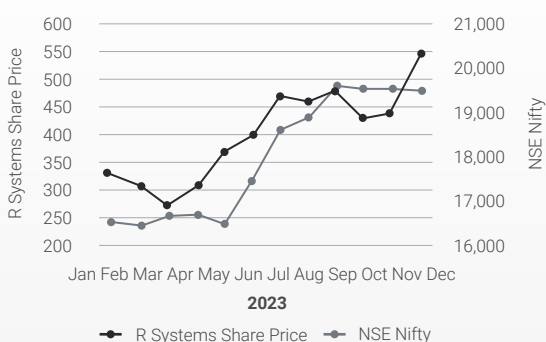
## 9.6. Market Price Data: High, Low during each month in financial year ended December 31, 2023

The monthly high and low quotations of R Systems' equity shares traded on NSE and BSE during each month in the financial year ended December 31, 2023, in comparison with NSE Nifty and BSE Sensex, are as follows:

Month	NSE				BSE			
	SHARE PRICE		NIFTY		SHARE PRICE		SENSEX	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
2023								
Jan	252.65	240.70	18,232.55	17,604.35	252.60	240.60	61,294.20	59,330.90
Feb	255.70	241.80	18,035.85	17,303.95	256.20	241.00	61,319.51	58,962.12
Mar	258.30	248.85	17,754.40	16,945.05	257.95	248.65	60,348.09	57,527.10
Apr	258.10	252.80	18,065.00	17,398.05	258.50	252.70	61,112.44	59,106.44
May	288.80	243.90	18,633.85	18,069.00	288.95	244.25	62,969.13	61,054.29
Jun	418.00	318.80	19,189.05	18,487.75	419.65	319.20	64,718.56	62,428.54
Jul	470.00	404.30	19,979.15	19,322.55	468.55	403.65	67,571.90	65,205.05
Aug	508.90	430.80	19,733.55	19,253.80	508.15	430.25	66,459.31	64,831.41
Sep	525.50	479.30	20,192.35	19,435.30	526.70	478.50	67,838.63	65,387.16
Oct	517.65	481.20	19,811.50	18,857.25	516.95	482.00	66,473.05	63,148.15
Nov	505.95	480.20	20,133.15	18,989.15	505.55	481.35	66,988.44	63,591.33
Dec	575.15	477.30	21,778.70	20,267.90	575.60	475.60	72,410.38	67,481.19

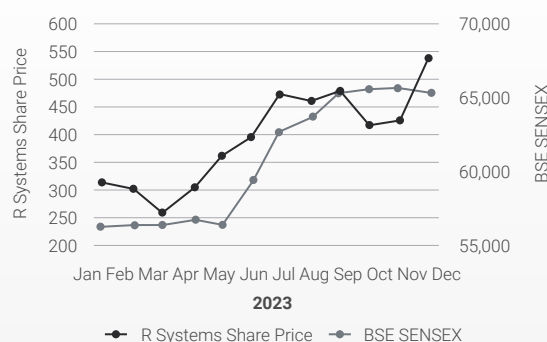
The aforesaid table is based on the closing price of the shares of R Systems and closing of NSE Nifty and BSE Sensex as available at NSE and BSE website.

### R SYSTEMS SHARE PRICE VERSUS NSE NIFTY



The aforesaid chart is based on the monthly low of closing price of the shares of R Systems at NSE and monthly low of closing NSE Nifty.

### R SYSTEMS SHARE PRICE VERSUS BSE SENSEX



The aforesaid chart is based on the monthly low of closing price of the shares of R Systems at BSE and monthly low of closing BSE Sensex.

## Annexure 'C' to the Directors' Report

### 9.7. Registrar and Share Transfer Agent

#### Link Intime India Private Limited

Noble Heights, 1<sup>st</sup> Floor,  
Plot NH 2, C-1, Block LSC, Near Savitri Market,  
Janakpuri, New Delhi – 110058

### 9.8. Share Transfer System

Transfer of Equity Shares in dematerialized form are done through depositories with no involvement of the Company. In terms of Listing Regulations, securities of listed companies can only be transferred in dematerialized form including where the claim is lodged for transmission or transposition of shares.

The Security holders/ Claimants are required to fill up requisite Forms for processing of service requests related to transmission, transposition, consolidation/sub-division and issue of duplicate share certificate along with requisite documents. The Company or its RTA shall issue letter of confirmation after processing the valid service requests and the security holders or claimants shall make a request to their Depository Participant for dematerialization of the said securities within the applicable time limit. Said forms are available on the website of the Company at <https://www.rsystems.com/corporate-governance/investor-services/>.

The registrar and share transfer agent of R Systems periodically receives the details of beneficiary holdings from depositories.

### 9.9. Updation of KYC details

In compliance with various SEBI Circulars, Members holding securities of listed companies in physical mode are requested to submit their PAN, Bank Account details, KYC and nomination details to the Company's Registrar

and Share Transfer Agent through the forms available at <https://www.rsystems.com/corporate-governance/investor-services/>.

### 9.10 Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to Section 124 and other applicable provisions of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Central Government under the provisions of Section 125 of the Act. Shareholders are advised to claim the unclaimed dividend lying in the unpaid dividend account of the Company before the due date. Given below are the dates of declaration of dividend and corresponding dates when unclaimed dividend is due for transfer to IEPF:

Date of declaration	Dividend for the year	Due date for transfer to IEPF
May 4, 2018	Interim Dividend 2018	June 3, 2025
December 14, 2019	Interim Dividend 2019	January 13, 2027
June 18, 2021	Interim Dividend 2021	July 18, 2028
November 2, 2021	2 <sup>nd</sup> Interim Dividend 2021	December 02, 2028
June 01, 2022	Interim Dividend 2022	July 01, 2029
December 13, 2023	Interim Dividend 2023	January 12, 2031
March 19, 2024	Interim Dividend 2024	April 19, 2031

### 9.11. Distribution of Shareholding as on December 31, 2023

Shareholding of nominal value of (₹)	Shareholders		Share Capital	
	Number	% to total	Amount in ₹	% to total
1	28,833	98.27	4,305,358	3.64
2,501	229	0.78	841,990	0.71
5,001	113	0.39	818,653	0.69
10,001	74	0.25	1,069,567	0.90
20,001	16	0.05	397,557	0.34
30,001	13	0.04	477,045	0.40
40,001	14	0.05	630,569	0.53
50,001	23	0.08	1,652,433	1.40
Above	26	0.09	108,110,273	91.39
<b>TOTAL</b>	<b>29,341</b>	<b>100.00</b>	<b>118,303,445</b>	<b>100.00</b>

### 9.12. Category wise Shareholding as on December 31, 2023

Sr. No.	Category of Shareholder	No. of shares	Percentage
<b>(A)</b>	<b>Promoters &amp; Promoter Group</b>		
1	Indian	-	-
2	Foreign	61,433,005	51.93
	<b>Sub Total (A)</b>	<b>61,433,005</b>	<b>51.93</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>1</b>	<b>Institutions</b>		
(a)	Mutual Funds / UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Alternate Investment Funds	918,562	0.78
(d)	NBFCs registered with RBI	96,561	0.08
(e)	Foreign Portfolio Investors Category I	198,061	0.17
(f)	Foreign Portfolio Investors Category II	92,899	0.07
	<b>Sub Total (B)(1)</b>	<b>1,306,083</b>	<b>1.10</b>
<b>2</b>	<b>Non-institutions</b>		
(a)	Resident Individual shareholders holding nominal share capital up to ₹ 2 lakh	8,441,100	7.14
(b)	Resident Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	4,284,148	3.62
(c)	Directors & their relatives	-	-
(d)	Key Managerial Personnel	195,790	0.17
(e)	Non Resident Indians (NRIs)	37,843,671	31.99
(f)	Foreign Nationals	162,000	0.13
(g)	Any Other <b>(Clearing Members)</b>	7,501	0.01
(h)	Any Other <b>(Bodies Corporate)</b>	2,714,995	2.29
(i)	Any Other <b>(Investor Education and Protection Fund)</b>	45,537	0.04
(j)	Any Other <b>(HUF)</b>	512,836	0.43
(k)	Any Other <b>(Trust)</b>	7,900	0.01
(l)	Any Other <b>(LLP)</b>	1,348,879	1.14
	<b>Sub Total (B)(2)</b>	<b>55,564,357</b>	<b>46.97</b>
	<b>Total Public Shareholding (B)(1) + (B)(2)= (B)</b>	<b>56,870,440</b>	<b>48.07</b>
	<b>Grand Total (A+B)</b>	<b>118,303,445</b>	<b>100.00</b>

### 9.13. Dematerialisation of shares

Shareholders seeking dematerialisation of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificate along with demat request form to the Registrar and Share Transfer Agent (the "Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same and will confirm the demat request. On confirmation, the demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder through their respective DPs.

99.82% of the issued and paid up share capital of the Company has been dematerialised up to financial year ended December 31, 2023. The International Securities Identification Number (ISIN) of the Company is INE411H01032. The equity shares of the Company are traded on NSE and BSE throughout the year under review and were not suspended from trading at any time during the year.

### 9.14. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

R Systems has not issued any GDRs/ ADRs There were no outstanding convertible warrants as on financial year ended December 31, 2023, except stock options/ restricted stock units (RSUs) granted under the R Systems International Limited Management Incentive Plan 2023, as detailed elsewhere in the Directors' Report.



## Annexure 'C' to the Directors' Report

### 9.15. Commodity Price Risk or foreign exchange risk hedging activities

A large percentage of revenue of the Company is either from export earnings or denominated in Foreign Currency. The Company tries to minimize the foreign exchange risk by taking forward contracts. It may be noted that the foreign exchange contracts are not intended to be for trading and Speculations purpose but as a measure to hedge the foreign exchange risk.

### 9.16. Offices of R Systems and its subsidiaries including Development/ Technical Support Centres

<p><b>1. Offices of R Systems International Limited</b></p> <p><b>Registered office</b> GF-1-A, 6, Devika Tower, Nehru Place, New Delhi, 110019</p> <p><b>Noida offices</b> C - 40 &amp; C - 1, Sector - 59, Noida (U.P.) - 201 307</p> <p><b>SEZ Units</b> 1<sup>st</sup> – 4<sup>th</sup> Floor, Tower 1, Plot No. 21, Sector Techzone IV, Greater Noida West- 201306 (U.P.) India</p> <p><b>Pune office</b> 3<sup>rd</sup> Floor, AG Trade Centre, Ramanagar Colony, Sr No 7/8, Plot No 18, NDA Road, Bavdhan, Pune, Pune City, Maharashtra, India, 411021</p> <p><b>Chennai office</b> Plot# NP 1 &amp; 2, Industrial Estate, Sidco Industrial Estate, Guindy, Chennai -600032</p> <p><b>U.S.A. Branch office</b> 5000, Windplay Drive, Suite #5, El Dorado Hills, CA 95762, U.S.A.</p> <p><b>2</b> R Systems Inc. 5000, Windplay Drive, Suite # 5, El Dorado Hills, CA 95762, U.S.A.</p> <p><b>3.</b> R Systems Technologies Ltd. 5000, Windplay Drive, Suite #5, El Dorado Hills, CA 95762, U.S.A.</p> <p><b>4.</b> RSYS Technologies Ltd. Vancouver office 906 &amp; 1000, Cathedral Place, 925 West Georgia Street, Vancouver BC V6C 3L2, Canada</p> <p>Ontario office 2425 Matheson Blvd East Unit 778, Mississauga, Ontario L4W 5K4, Canada</p>	<p><b>5.</b> R Systems Computaris International Limited Larch House Parklands Business Park, Denmead, Waterlooville, Hampshire, United Kingdom, PO7 6XP</p> <p><b>6.</b> Velotio Technologies Private Limited 3<sup>rd</sup> Floor, AG Trade Centre, Ramanagar Colony, Sr No 7/8, Plot No 18, NDA Road, Bavdhan, Pune, Pune City, Maharashtra, India, 411021</p> <p><b>7.</b> Scaleworx Technologies Private Limited 3<sup>rd</sup> Floor, AG Trade Centre, Ramanagar Colony, Sr No 7/8, Plot No 18, NDA Road, Bavdhan, Pune, Pune City, Maharashtra, India, 411021</p> <p><b>8.</b> R Systems Computaris Europe S.R.L. Bucharest office Tiriac Tower Str. Buzesti 82-94, 5<sup>th</sup> floor, District 1 Bucuresti, 011017 Romania</p> <p>Galati office 23 Logofat Tautu Str., 800009, Galati, Romania</p> <p>Craiova office 2 Market Street, Chiriac Market, Dolj, Craiova, Romania</p> <p>Germany office Rather StraBe 110 a 40476 Dusseldorf</p> <p><b>9.</b> R Systems Computaris Poland sp z o.o. Warsaw office Babka Tower, entrance H, 6<sup>th</sup> floor Al. Jana Pawła II 80, Warszawa, 00-175, Polska</p>	<p>Bialystok office ul. Św. Rocha 10/2, 1<sup>st</sup> floor, 15-879 Bialystok</p> <p><b>10.</b> R Systems Computaris S.R.L. Vlaicu Pircalab Street, No 63, Et. 8, Oficiu B, MD – 2012, Sky Tower Business Center Chisinau, Republica Moldova</p> <p><b>11.</b> R Systems Computaris Malaysia Sdn. Bhd. Lot. No. 5F-1, 5<sup>th</sup> Floor Tower 5 Puchong Financial Corporate Center Jalan Puteri 1/2, Bandar Puteri 47100 Puchong, Selangor Malaysia.</p> <p><b>12.</b> R Systems Computaris Philippines Pte. Ltd. Level 16 Tower 6789 6789 Ayala Avenue 1206 Makati City, Philippines.</p> <p><b>13.</b> R Systems Computaris Suisse Sàrl Rue du Trésor 9, c/o Me Madalina Diaconu, Etudes SPLC Avocats &amp; Notaires, 2000 Neuchâtel</p> <p><b>14.</b> R Systems Consulting Services Limited 16, Jalan Kilang, #04-01 Hoi Hup Building, Singapore – 159 416</p> <p><b>15.</b> R Systems Consulting Services (M) Sdn. Bhd. Suite 5F-1, 5<sup>th</sup> Floor, Tower 5, Puchong Financial Corporate Centre (PFCC) Jalan Puteri ½, Bandar Puteri, 47100 Puchong Selangor, Malaysia</p> <p><b>16.</b> R Systems Consulting Services (Hong Kong) Limited Rm 2808 28/F Wu Chung House 213 Queen's Road East, Wan Chai, Hong Kong</p>
---	---	---

**17. R Systems Consulting Services (Thailand) Co., Ltd.**

2/3 Bangna Tower-A, 2<sup>nd</sup> Floor,  
Room No. 205-206, Moo 14,  
Bangna-Trad K.M. 6.5, Tambol  
Bangkaew, Amphoe Bangplee,  
Samutprakarn Province  
10540, Thailand

**18. R Systems Consulting Services Kabushiki Kaisha**

Housho building 3F-B,15-2  
Rokubancho, Chiyoda-ku, Tokyo,  
Japan, 102-0085

**19. R Systems Consulting Services (Shanghai) Co., Ltd.**

Rm H, 20 Floor, Foresight Mansion,  
No. 768 Xie Tu Rd, Shanghai,  
People's Republic of China

**20. R Systems Consulting Services Company Limited**

Level 9, Lim Tower 3, 29A Nguyen  
Dinh Chieu Street, Da Kao Ward,  
District 1, Ho Chi Minh City, Vietnam

**21. R Systems (Singapore) Pte Limited**

#04-01, 16 Jalan Kilang, Hoi Hup  
Building, Singapore 159416

**22. R Systems IBIZCS Pte. Ltd.**

16 Jalan Kilang#04-01 Hoi Hup  
Building Singapore 159416

**23. R Systems IBIZCS Sdn. Bhd.**

Suite 5F-1, 5<sup>th</sup> Floor, Tower 5,  
Puchong Financial Corporate Centre  
(PFCC) Jalan Puteri ½, Bandar Puteri,  
47100 Puchong Selangor, Malaysia

**24. PT Rsystems IBIZCS International**

Setiabudi Buidling 2, 2<sup>nd</sup> Floor, Suite  
203 Jl. H.R. Rasuna Said Kav. 62  
Jakarta Selatan 12920

**25. IBIZ Consulting (Thailand) Co Ltd.**

2/3 Bangna Tower-A, 2<sup>nd</sup> Floor,  
Room No. 205-206, Moo14,  
Bangna-Trad K.M.6.5 Road,  
Bangkaew Sub-district, Bangplee  
District, Samutprakarn Province

**26. IBIZ Consulting Services Limited**

Units 1901-3, 19/F, Strand  
50, 50 Bonham Strand,  
Sheung Wan, Hong Kong

**27. IBIZ Consulting Services (Shanghai) Co., Ltd**

Room 1721, 17F, Building A, CCIG  
International Plaza, No. 331,  
North Caoxi Road, Xuhui District,  
Shanghai, China 200030

**9.17. Address for correspondence**

For any assistance regarding dematerialisation of shares,  
share transfers, transmissions, change of address, non-  
receipt of dividend or any other query relating to shares:

**Registrar and Share Transfer Agent  
Link Intime India Private Limited**

Noble Heights, 1<sup>st</sup> Floor, Plot NH 2, C-1, Block LSC, Near  
Savitri Market, Janakpuri, New Delhi – 110058,

**Phone:** 011 - 414 10592, 93, 94;

**Fax :** 011 - 414 10591

**Email:** [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

**For general correspondence:**

R Systems International Limited  
Corporate Office  
C - 40, Sector - 59,  
Noida (U.P.) - 201 307, India

**Phone** : 0120 - 430 3500,

**Email** : [investors@rsystems.com](mailto:investors@rsystems.com)

**On behalf of the Board**

For **R SYSTEMS INTERNATIONAL LIMITED**

**Ruchica Gupta**

(DIN: 06912329)  
(Chairperson & Non-Executive  
Independent Director)

Place : Delhi

Date : May 02, 2024

**Nitesh Bansal**

(DIN: 10170738)  
(Managing Director & Chief Executive Officer)

Place : Frisco Tx, USA

Date : May 02, 2024

## Certification by the Chief Executive Officer and Chief Financial Officer of R Systems International Limited

We, Nitesh Bansal, Managing Director & Chief Executive Officer and Nand Sardana, Chief Financial Officer, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on December 31, 2023 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 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 that 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, wherever applicable:
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Nitesh Bansal**

(Managing Director & Chief Executive Officer)

Place : NOIDA

Date : February 12, 2024

**Nand Sardana**

(Chief Financial Officer)

Place : NOIDA

Date : February 12, 2024

## Annexure-1

## 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 of

**R SYSTEM INTERNATIONAL LIMITED**

(CIN: L74899DL1993PLC053579)

GF-1-A, 6, Devika Tower, Nehru Place,

New Delhi - 110019

- That the equity shares of **R SYSTEMS INTERNATIONAL LIMITED** (hereinafter referred as "the Company") are listed on BSE Limited and National Stock Exchange of India Limited.
- We have examined the relevant disclosures received from the directors as well as the registers, records, forms, and returns maintained by the Company and 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 and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, [www.mca.gov.in](http://www.mca.gov.in), as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named directors of the Company as on 31<sup>st</sup> December, 2023 have been debarred or disqualified from being appointed or continuing as director by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Ms. Ruchica Gupta	06912329	07/07/2014
2.	Mr. Nitesh Bansal	10170738	30/05/2023
3.	Mr. Mukesh Gulraj Mehta	08319159	10/05/2023
4.	Mr. Amit Dalmia	05313886	10/05/2023
5.	Mr. Animesh Agrawal	08538625	10/05/2023
6.	Mr. Kapil Dhameja	02889310	29/06/2016
7.	Mr. Aditya Wadhwa	07556408	29/06/2016

- Ensuring the eligibility of 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 on the eligibility of directors 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.
- This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For **DPV & Associates LLP**  
**Company Secretaries**

Firm Reg. No.: L2021DE009500

Peer Review Certificate No. 2792/2022

**Devesh Kumar Vasisht**

Managing Partner

CP No.:13700 / Mem. No. F8488

UDIN: F008488F000287734

Date: May 02, 2024

Place: New Delhi

## Annexure 'D' to the Directors' Report

TO  
THE MEMBERS OF  
**R SYSTEMS INTERNATIONAL LIMITED**

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 06 July, 2023.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of R Systems International Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 December, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations, as amended from time to time, during the year ended 31 December, 2023.
9. We 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.

For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
(Firm's Registration No. 117366W/W-100018)

Place: Gurugram  
Date: May 02, 2024

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
(UDIN: 24087104BKCUCT4327)

## Annexure 'E' to the Directors' Report

# Management's Discussion and Analysis



### Overview

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standard) Rules as amended from time to time. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis so that the financial statements reflect in a true and fair manner. The forms and substance of transactions and reasonably present the state of affairs, profits and cash flows for the year.

### A. Industry Structure and Developments

An uncertain economic landscape has substantially influenced business decisions. Businesses now are more cautious in their IT expenditure and are leveraging technology to enhance their existing services and solutions, encourage enterprise collaboration and increase productivity—for sharpening their competitive edge. However, the IT market has witnessed robust growth in recent years, having grown to \$9,039 billion in CY24 from \$8,508 billion in CY23, at a CAGR of around 6.2%. Further, the information technology market size is expected to see strong growth in the next few years. It will grow to \$12,417.21 billion in 2028 at a CAGR of 8.3%. With the surge in globalisation, cybersecurity innovations and digital transformation, the deployment of technologies in standardised processes to increase operational efficiency, is expected to remain a priority for businesses going forward.

Cloud, Artificial intelligence, Platform Engineering, Automation and Cybersecurity continue to drive the agenda for many digital transformations. With generative AI tools gaining prominence, the businesses are exploring how they can leverage these tools to enhance their opportunities and bridge existing gaps. Moreover, the increased usage of IoT is expected to drive the industry growth even further. Most companies are introducing the use of next generation language models to increase their revenues.

### B. Company Overview

R Systems International Limited (the 'Company' or 'the Parent Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') is a public Company domiciled in India having its registered office at New Delhi. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. The Group is a leading global provider of technology, artificial intelligence, intelligent process automation services and solutions with knowledge services. It also delivers its tailored solutions to leading technology companies and businesses to enable their digital transformation. The Company's offerings encompass five major business verticals i.e. Independent Software Vendor (ISV), Healthcare, Manufacturing & Logistics, Telecom, Media & Entertainment (TME) and Banking, Finance & Insurance (BFSI).

## Annexure 'E' to the Directors' Report

The Company has the following subsidiaries:

Name	Holding as at		Country of incorporation and other particulars
	December 31, 2023	December 31, 2022	
R Systems, Inc., USA	100%	100%	A company registered under the laws of California, USA in 1993 and subsidiary of the Company since January 2, 2001.
R Systems (Singapore) Pte Limited, Singapore	100%	100%	A company registered under the laws of Singapore in 1997 and subsidiary of the Company since September 19, 2000.
R Systems Technologies Limited, USA	100%	100%	A company registered under the laws of Delaware, USA in 1996 and subsidiary of the Company since April 1, 2002.
R Systems Consulting Services Limited Singapore	99.75%	99.75%	A company registered under the laws of Singapore in 1996. The company has acquired majority share on January 8, 2004. R Systems Consulting Services Limited, Singapore has subsidiaries in Malaysia, Thailand, China, Hong Kong Japan and Vietnam. The shareholding by the Company and R Systems (Singapore) Pte Limited is 69.37% and 30.38% respectively.
R Systems Computaris International Limited, UK	100%	100%	A company registered under the laws of U.K in 2006. The Company has acquired the entire share on January 26, 2011. R Systems Computaris International Limited, U.K. has subsidiaries in Romania, Poland, Moldova, Malaysia, Switzerland and Philippines.
RSYS Technologies Ltd., Canada	100%	100%	A company registered under the laws of Canada in 2012 and subsidiary of the Company since October 29, 2012.
IBIZ Consultancy Services India Private Limited, India (IBIZ India) (refer to Note a below)	-	-	A company registered under the laws of India in 2008 and subsidiary of the Company since April 30, 2015.
Velotio Technologies Private Limited (refer to Note b below)	100% outstanding equity capital	-	A private company registered under the Companies Act, 2013 in 2016 and the subsidiary of the Company since July 3, 2023.

a. During the previous year, IBIZ India had gone into voluntary liquidation under Section 59 of Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation) Regulations, 2017. Hon'ble National Company Law Tribunal, New Delhi ("NCLT"), vide its order dated April 24, 2023, has allowed the application for dissolution of IBIZ India filed by its Liquidator on completion of Voluntary Liquidation of IBIZ India under Section 59 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary

Liquidation Process) Regulations, 2017. As per aforesaid NCLT order, IBIZ India has been dissolved w.e.f. April 24, 2023.

b. As on July 3, 2023, Velotio Technologies Private Limited (Velotio) held 40% Equity shares of Scaleworx Technologies Private Limited and classified this as associates. Subsequently on December 1, 2023, Velotio has acquired balance 60% Equity shares from its preceding shareholders and consequently became wholly owned subsidiary.

**R Systems Consulting Services Limited, Singapore has following wholly owned subsidiaries:**

Name	Holding as at		Country of incorporation
	December 31, 2023	December 31, 2022	
R Systems Consulting Services (M) Sdn. Bhd.	100 %	100 %	Malaysia
R Systems Consulting Services (Thailand) Co., Ltd.	100 %	100 %	Thailand
R Systems Consulting Services (Shanghai) Co., Ltd.	100 %	100 %	People's Republic of China
R Systems Consulting Services (Hong Kong) Ltd.	100 %	100 %	Hong Kong
R Systems Consulting Services Kabushiki Kaisha	100 %	100 %	Japan
R Systems Consulting Services Company Limited (incorporated on October 17, 2022)	100 %	100 %	Vietnam

**R Systems Computaris International Limited, UK has following wholly owned subsidiaries:**

Name	Holding as at		Country of incorporation
	December 31, 2023	December 31, 2022	
R Systems Computaris Europe SRL	100 %	100 %	Romania
R Systems Computaris Poland sp z o.o	100 %	100 %	Poland
R Systems Computaris S.R.L	100 %	100 %	Moldova
R Systems Computaris Malaysia Sdn. Bhd.	100 %	100 %	Malaysia
R Systems Computaris Philippines Pte. Ltd. Inc.	100 %	100 %	Philippines
R Systems Computaris Suisse Sarl	100 %	100 %	Switzerland

**R Systems IBIZCS Pte. Ltd., Singapore is a wholly owned subsidiary of R Systems (Singapore) Pte Limited, Singapore w.e.f. April 30, 2015 and has following wholly owned subsidiaries:**

Name	Holding as at		Country of incorporation
	December 31, 2023	December 31, 2022	
IBIZ Consulting Services Pte Ltd (strike off w.e.f. January 08, 2024)	100 %	100 %	Singapore
R Systems IBIZ Sdn. Bhd	100 %	100 %	Malaysia
PT. R Systems IBIZCS International	100 %	100 %	Indonesia
IBIZ Consulting (Thailand) Co. Ltd.	100 %	100 %	Thailand
IBIZ Consulting Service Limited (IBIZ HK)	100 %	100 %	Hong Kong
IBIZ Consulting Service Shanghai Co., Ltd	100% by IBIZ HK	100% by IBIZ HK	People's Republic of China

**C. Opportunities**

- Growth in digital transformation:  
Digital transformation services will continue witnessing an increase in the demand as a result of globalisation, cybersecurity innovations and more. The Company's expertise in digital product engineering and technology solutions will help them capitalise on this trend.
- Shift of focus to AI and ML:  
The Company's recent collaboration with a reputed Indian institution shows its focus towards AI from a strategic point of view. They can also integrate AI and ML into their services to provide more value to their clients.
- New market expansion:  
Despite having a global presence, the Company shows potential to expand into new and emerging markets required digitisation. Company
- Managing cloud services:  
With more businesses adopting to cloud computing, those entities also are in need of management and optimisation of their cloud systems. The Company can also provide cloud solutions to specific industries.

**Threats:**

- Competition:  
The IT industry is highly competitive. and R Systems needs to stay ahead of the learning and implementation curve in order to retain its competitive edge.

- Talent acquisition and retention:

It is crucial to find talented individuals and to retain them. The Company should focus on developing a positive work culture, which would lead to lower attrition rates attract talented individuals to their organisation.

**D. Segment-wise and Product-wise Performance**

Detailed information about segment-wise and product-wise performance has been given in the Consolidated Financial Statements and Standalone Financial Statements.

**E. Performance and Outlook**

R Systems reported a consolidated revenue of ₹ 16,845.18 million during the year 2023, as opposed to the revenue of ₹ 15,158.31 million during 2022. The revenue grew by 11.13% during the year 2023.

Consolidated Profit after tax during the year 2023 was ₹ 1,401.06 million as opposed to the net Profit for the year 2022 of ₹ 1,396.81 million.

The basic earnings per share (based on the consolidated financial statement) during the year 2023 was ₹ 11.84 per share as against ₹ 11.81 per share in 2022 of the face value of ₹ 1 each.

R Systems maintains a solid financial position with equity attributable to equity shareholders of ₹ 6,114.37 million, including net cash and bank balance of ₹ 1,338.32 million as



## Annexure 'E' to the Directors' Report

of December 31, 2023, to invest towards the future growth of the business.

R Systems is well-positioned to leverage the following factors, which are pertinent to its differentiated strategy for growth in the marketplace:

Strong digital competencies such as analytics, cloud, mobility, RPA / IA, A.I., ML and IoT are complemented by the experience in delivering complex digital transformation projects.

The Company is focused on critical verticals such as Independent Software Vendor (ISV), Healthcare, Manufacturing & Logistics, Telecom, Media & Entertainment (TME) and Banking, Finance & Insurance (BFSI).

A customer-centric approach to delivering innovative and cost-effective services and solutions is taken.

R Systems has a long term relationship with marquee customers, including Fortune 500 enterprises.

The Company has developed global delivery capabilities through eighteen development and service centres.

The Company maintains adherence to the highest quality certification for development processes, delivery models and security infrastructure.

R Systems has a strong balance sheet to support liquidity and growth.

### F. Risk and Concerns

At R Systems, risk management is a dynamic process. It attempts to constantly identify all the emerging risks and propose mitigation strategies. This is further explained in detail in Risk Management Report.

### G. Internal Control Systems and Their Adequacy

Internal control systems are a set of policies, processes and procedures put in place to help achieve the strategic objectives of an organisation. The Company's Internal Control System is commensurate with the size, scale and complexity of its operations. It has been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. Internal teams test identified vital controls at regular intervals to ensure their existence and operating effectiveness. Further, the internal auditors also perform an independent check of the effectiveness of key controls in identified areas of internal financial control reporting. The Statutory Auditor's Report also includes an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

The CEO/CFO certification provided in this report places responsibility on the CEO and CFO to continuously ensure the adequacy of the Company's internal control systems and procedures.

### H. Material Development in Human Resources / Industrial Relations Front, including Number of People Employed

R Systems identifies its associates as its most valued assets. It recognises its commitment to the growth journey of the organisation. It is critical to attract, develop, deploy and retain talent in the IT and ITES industry. Therefore, R Systems has also defined and implemented a people management initiative, in line with the industry best practices and the People Capability Maturity Model (People CMM). It effectively manages the life cycle to ensure that individuals are committed to the broader organisational goals and show pro-activeness at the workplace.

As of FY2023, R Systems has a talent pool of 4,191 associates, including 548 sales and support associates.

## I. Discussion on financial performance with respect to operational performance.

### Financial Position as of December 31, 2023

#### 1. Property, Plant and Equipment (PPE), Right-to use Assets (ROU) and Intangible Assets

PPE includes building, leasehold improvement, computer hardware, furniture & fittings, vehicle, office and electrical equipment. ROU includes land, building, computer hardware, computer software, vehicle and furniture & fittings. Intangible assets include Goodwill on consolidation, computer software, non-compete and customer contracts.

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Property, plant and equipment (net)	607.41	705.95	450.65	547.67
Right-to-use assets	628.55	692.40	473.82	539.68
Intangible assets				
- Goodwill on Consolidation	2,836.58	108.62	-	-
- Other intangible assets (net)	2,181.20	31.39	5.94	9.11
Capital work in progress	1.64	25.38	-	25.06
<b>Total</b>	<b>6,255.38</b>	<b>1563.74</b>	<b>930.41</b>	<b>1,121.52</b>

Details of total additions to gross block during the year in:

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Property, plant and equipment	149.41	330.60	95.09	270.96
Right-to-use assets	36.51	269.12	(19.56)	247.27
- Other intangible assets	0.56	10.60	0.49	9.61

Note: Refer Consolidated Financial Statement and Standalone Financial Statement for head wise details.

Details of total additions in consolidated financial statement through acquisition during the year ended December 31, 2023 is as follow

(₹ in million)

Particulars	Gross Block	Net block
Property, plant and equipment	63.24	29.92
Right-to-use assets	43.38	25.05
Intangible assets		
- Goodwill	2,725.46	2,725.46
- Other intangible assets	2,301.87	2,297.60

Note: For detail, please refer to Note no. 37 Consolidated Financial Statement

#### 2. Investment Property

Investment Property represents the land and building in Pune, which have been given on lease. Investment Property value (net) as of December 31, 2023, was ₹ 15.96 million as against ₹ 17.43 million as of December 31, 2022.

#### 3. Non-Current Investment

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Investment in subsidiaries	-	-	3,727.55	1,033.81
Other investment	0.03	0.03	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>	<b>3,727.58</b>	<b>1,033.84</b>

Increase in Investment in subsidiaries represent the investment in Velotio Technologies Private Limited made during the year.

Note: please refer to Note no. 4 of the Standalone Financial Statement.

## Annexure 'E' to the Directors' Report

### 4. Other Non-Current Financial Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Security deposits	47.43	34.96	28.84	27.14
Margin money deposits	66.98	30.20	0.57	5.86
Interest accrued on bank deposits	0.68	0.36	0.01	0.36
Staff advance	0.05	0.05	0.05	0.05
<b>Total</b>	<b>115.14</b>	<b>65.57</b>	<b>29.47</b>	<b>33.41</b>

### 5. Deferred Tax Liability/Assets (Net)

Deferred tax reflects the timing differences between the financials and tax books arising mainly from employees benefit provisions, difference in book values and tax base values of right-of-use assets and lease liabilities. Provision for doubtful debts, tax losses, M2M loss on derivative instruments, MAT credit entitlement (results in deferred tax assets), differences between accounting base and tax base for depreciable assets, the net gain arising on financial assets measured at FVTPL and M2M gain on derivative instruments (results into deferred tax liability).

Deferred tax assets and deferred tax liabilities across various tax jurisdictions, which cannot offset against each other, are presented separately.

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Deferred Tax Assets (net)	313.44	219.87	220.22	175.03

### 6. Income Tax Assets/Liability

Income tax assets represent the excess of tax paid over liability. It has been classified as non-current tax assets in the financial statement. Income tax liability represents the excess of tax liability over advance tax. It has been classified as current tax liability in a financial statement as the Company is required to settle the same within 12 months from reporting date.

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Income tax assets (net)	58.12	53.46	26.45	27.81
Income tax liability (net)	137.00	50.17	112.95	26.39

Income tax assets/liabilities across various tax jurisdictions which cannot offset against each other are presented separately.

### 7. Other Non-Current Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Capital advances	70.40	16.07	45.74	8.80
Prepaid expenses	56.19	92.84	52.83	80.29
<b>Total</b>	<b>126.59</b>	<b>108.91</b>	<b>98.57</b>	<b>89.09</b>

The Capital Advance represents primarily the advance given to the vendor for the procurement of capital assets.

### 8. Current Investments

Current investments as of December 31, 2023, were Nil as against ₹ 138.65 million as of December 31, 2022, mainly due to redemption of Debt Liquid Mutual Fund during the year ended December 31, 2023.

## 9. Trade Receivables

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Trade receivables (gross)	2,630.23	2,636.05	1,136.18	1,228.37
Less : Allowance for doubtful debts (expected credit loss allowance)	126.24	65.17	104.85	49.67
<b>Trade receivables (net)</b>	<b>2,503.99</b>	<b>2,570.88</b>	<b>1,031.33</b>	<b>1,178.70</b>

## 10. Cash and Bank Balance

Cash and cash equivalents comprise cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
<b>Cash and cash equivalents</b>				
Cash on hand	0.90	0.89	0.03	0.20
Balances with scheduled banks	238.04	737.32	77.82	714.85
Balances with other banks	1,334.56	1,324.09	116.71	110.65
<b>Cash and cash equivalents (A)</b>	<b>1,573.50</b>	<b>2,062.30</b>	<b>194.56</b>	<b>825.70</b>
<b>Other bank balances</b>				
Deposit with an original maturity of more than 3 months but less than 12 months	136.70	240.34	133.42	2.10
Balances in unclaimed dividend account	2.53	2.56	2.53	2.56
Bank balance towards interim dividend	804.46		804.46	
<b>Other bank balances (B)</b>	<b>943.69</b>	<b>242.90</b>	<b>940.41</b>	<b>4.66</b>
<b>Total Cash and Bank Balance (A+B)</b>	<b>2,517.19</b>	<b>2,305.20</b>	<b>1,134.97</b>	<b>830.36</b>

Note: For detailed movement in cash and cash equivalent, please refer to the Consolidated and Standalone statement of cash flow.

## 11. Other Current Financial Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Staff advance	11.99	9.30	2.98	2.37
Recoverable from related parties	-	-	3.08	18.17
Unbilled revenue other than from fixed bid contract	632.44	635.51	469.87	503.47
Securities deposit	4.94	10.51	0.89	2.90
Bank deposits with original maturity of more than 12 months	112.74	232.12	112.74	232.12
Mark-to-market gain on derivative instruments	9.86	-	9.86	-
Interest accrued on bank deposits	0.22	1.69	0.05	0.02
Other	33.33	21.95	3.95	0.16
<b>Total</b>	<b>805.52</b>	<b>911.08</b>	<b>603.42</b>	<b>759.21</b>

Unbilled revenue constitutes amounts that are not billed to customers at year-end. It is expected to be billed in due course in accordance with the contract with the respective customers.

## 12. Other Current Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Balances with indirect tax authorities	105.07	74.06	71.44	68.68
Unbilled revenue from fixed bid contract	86.51	70.86	11.24	10.48
Prepaid expenses	225.61	220.59	142.90	147.97
Advance to vendors	15.11	6.99	13.96	6.33
Tour and travel advance	2.76	3.17	2.76	3.17
<b>Total</b>	<b>435.06</b>	<b>375.67</b>	<b>242.30</b>	<b>236.63</b>

## Annexure 'E' to the Directors' Report

### 13. Share Capital

The Company's authorised share capital is ₹ 206 million as of December 31, 2023 and December 31, 2022. The Company's issued, subscribed and paid-up capital as of December 31, 2023 and December 31, 2022, is ₹118.31 million.

Detailed information about the movements in share capital has been given in Note no. 11 of notes to the Consolidated Financial Statements.

### 14. Other Equity

Particulars	(₹ in million)			
	Consolidated		Standalone	
	2023	2022	2023	2022
<b>Reserve and Surplus</b>				
Capital reserve under common control	(0.34)	(0.34)	(0.34)	(0.34)
Capital reserve other	0.03	0.03	-	-
Capital redemption reserve	5.02	5.02	5.02	5.02
Retained earnings	5,386.98	4,796.39	4,704.66	3,779.16
<b>Other Comprehensive Income</b>				
Foreign currency translation reserve	604.37	535.28	-	-
<b>Total Other Equity</b>	<b>5,996.06</b>	<b>5,336.39</b>	<b>4,709.34</b>	<b>3,783.84</b>

The Board of Directors at its meeting held on December 13, 2023, has declared an interim dividend of ₹ 6.80/- per equity share of face value of ₹ 1/- each aggregating to ₹ 804.46 million. As at December 31, 2023, the Company has transferred the interim dividend amount to a separate bank account. Subsequent to the year ended December 31, 2023, the aforesaid interim dividend has been paid on January 09, 2024.

During the year ended December 31, 2022, the Company paid interim dividend of ₹ 6.50/- per equity share of face value of ₹ 1/- each aggregating to ₹ 768.97 million.

### 15. Non-Controlling Interest

Non-controlling interest as of December 31, 2023, were ₹ 2,407.00 million as against NIL as of December 31, 2022.

Detailed information regarding non-controlling interest has been given in Note no. 37 of notes to the Consolidated Financial Statements.

### 16. Secured Borrowings (Standalone & Consolidated)

	(₹ in million)	
	2023	2022
<b>Term loans for Motor vehicles Loan from non-banking financial company</b>		
Non-Current Portion	16.94	13.23
Current Portion	10.64	7.21
<b>Cash credit facility from scheduled banks</b>	551.60	-
<b>Total Borrowings</b>	<b>579.18</b>	<b>20.44</b>

### 17. Lease liabilities

Particulars	(₹ in million)			
	Consolidated		Standalone	
	2023	2022	2023	2022
Non-current	631.14	666.11	554.88	576.56
Current	101.45	84.69	16.60	13.24
<b>Total Lease liabilities</b>	<b>732.59</b>	<b>750.80</b>	<b>571.48</b>	<b>589.80</b>

### 18. Other Non-Current Financial Liabilities

Other Non-Current Financial Liabilities represent the Security deposits received which is required to be paid after the 12 months from the reporting date based on contractual agreement. Security deposit as of December 31, 2023, was ₹ 12.01 million as against of ₹ 8.76 million as of December 31, 2022.

**19. Provisions (Long Term)**

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Provision for Employee benefit - Gratuity	282.00	207.95	246.04	207.95

**20. Trade Payables**

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Trade Payable	370.76	355.87	109.98	67.60

**21. Other Current Financial Liabilities**

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Payable to subsidiary Company	-	-	50.87	54.66
Security deposits received	12.31	9.96	12.31	9.96
Unclaimed dividend	2.53	2.56	2.53	2.56
Employee benefits payable	746.87	438.01	290.59	256.26
Capital creditors	0.65	21.97	-	21.97
Advance from Customer	15.14	8.65	6.77	0.34
Other financial liabilities	8.00	9.50	3.32	3.45
Mark-to-market loss on derivative instruments	0.46	98.07	-	98.06
Interest accrued but not due	2.97	-	2.97	-
Interim dividend payable	689.55	-	689.55	-
Payable for acquisition of subsidiary	56.67	-	56.67	-
<b>Total</b>	<b>1,535.15</b>	<b>588.72</b>	<b>1,115.58</b>	<b>447.26</b>

**22. Provisions (Short Term)**

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Provision for employee benefits				
-Gratuity	23.34	24.43	18.68	24.43
-Compensated absences	317.05	279.27	217.50	182.51
-Provision for CSR	1.76	-	-	-
<b>Total</b>	<b>342.15</b>	<b>303.70</b>	<b>236.18</b>	<b>206.94</b>

**23. Other Current Liabilities**

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Tax deducted on dividend	114.91	-	114.91	-
Other statutory dues payable	221.85	199.42	93.36	93.79
Unearned revenues	297.45	389.96	41.36	70.60
<b>Total</b>	<b>634.21</b>	<b>589.38</b>	<b>249.63</b>	<b>164.39</b>

## Annexure 'E' to the Directors' Report

### 24. Liquidity

The consolidated cash and cash equivalents as at December 31, 2023 were ₹ 1,573.50 million as against ₹ 2,062.30 million as on December 31, 2022.

Net cash generated from operating activities was ₹ 2,113.64 million for the year ended December 31, 2023 compared to ₹ 963.86 million for the year ended December 31, 2022.

Cash used in investing activities was ₹ 2,227.85 million for the year ended December 31, 2023 and mainly comprised of net cash outflow on acquisition of subsidiary amounting to ₹ 2,484.54 million and purchase of fixed assets of ₹ 202.13 million, as offset by proceeds from investment in term deposit with bank ₹ 225.85 million and proceeds from mutual fund redemption of ₹ 143.27 million.

Cash used in financing activities was ₹ 409.09 million for the year ended December 31, 2023. Interim Dividend paid during the year was ₹ 804.46 million as offset by Proceeds from short-term borrowings ₹ 551.60 million.

R Systems' policy is to maintain sufficient liquidity to fund the anticipated capital expenditures, operational expenses and investments for strategic initiatives.

R Systems has a credit facility (fund based as well as non-fund based) from the Axis Bank Limited and ICICI Bank Limited as at December 31, 2023, the total credit balance was ₹ 551.60 million along with term loan amounting to ₹ 27.58 million with respect to motor vehicles purchased.

### Analysis and Discussions of Operating Performance for the Year Ended December 31, 2023

The following section discusses in detail the composition of different items in the Consolidated and Standalone Statement of Profit and Loss Account.

#### Consolidated Statement of Profit and Loss for the year:

(₹ in million)					
Particulars	2023	% of Total Income	2022	% of Total Income	Change %
<b>Income</b>					
Revenue from operations	16,845.18	99.32	15,158.31	99.33	11.13
Other income	115.33	0.68	102.89	0.67	12.09
<b>Total income</b>	<b>16,960.51</b>	<b>100.00</b>	<b>15,261.20</b>	<b>100.00</b>	<b>11.13</b>
<b>Expenses</b>					
Employee benefits expense	11,335.35	66.83	10,194.05	66.80	11.20
Finance costs	89.50	0.53	48.98	0.32	82.73
Depreciation and amortisation expense	544.04	3.21	349.78	2.29	55.54
Other expenses	2,986.36	17.61	2,966.82	19.44	0.66
<b>Total expenses</b>	<b>14,955.25</b>	<b>88.18</b>	<b>13,559.63</b>	<b>88.85</b>	<b>10.29</b>
<b>Profit before tax and Share in Profit / (Loss) of Associate</b>	<b>2,005.26</b>	<b>11.82</b>	<b>1,701.57</b>	<b>11.15</b>	<b>17.85</b>
Share of net profit / (loss) of associates accounted for using the equity method	(5.04)	(0.03)	-		
<b>Profit before tax</b>	<b>2,000.22</b>	<b>11.79</b>	<b>1,701.57</b>	<b>11.15</b>	<b>17.55</b>
Tax expense	599.16	3.53	304.76	2.00	96.60
<b>Net Profit for the year</b>	<b>1,401.06</b>	<b>8.26</b>	<b>1,396.81</b>	<b>9.15</b>	<b>0.30</b>
Other comprehensive income / (loss)	63.08	0.37	223.89	1.47	(71.83)
<b>Total comprehensive income for the year</b>	<b>1,464.14</b>	<b>8.63</b>	<b>1,620.70</b>	<b>10.62</b>	<b>(9.66)</b>

**Standalone Statement of Profit and Loss for the year:**

(₹ in million)					
Particulars	2023	% of Total Income	2022	% of Total Income	Change %
<b>Income</b>					
Revenue from operations	9,038.87	92.75	8,138.90	99.14	11.06
Other income	706.42	7.25	70.44	0.86	902.87
<b>Total income</b>	<b>9,745.29</b>	<b>100.00</b>	<b>8,209.34</b>	<b>100.00</b>	<b>18.71</b>
<b>Expenses</b>					
Employee benefits expense	6,014.41	61.72	5,533.61	67.41	8.69
Finance costs	81.18	0.83	42.64	0.52	90.38
Depreciation and amortisation expense	239.95	2.46	195.83	2.39	22.53
Other expenses	1,227.87	12.61	1,096.77	13.36	11.95
<b>Total expenses</b>	<b>7,563.41</b>	<b>77.61</b>	<b>6,868.85</b>	<b>83.67</b>	<b>10.11</b>
<b>Profit before tax</b>	<b>2,181.88</b>	<b>22.39</b>	<b>1,340.49</b>	<b>16.33</b>	<b>62.77</b>
Tax expense	447.31	4.59	213.38	2.60	109.63
<b>Net Profit for the year</b>	<b>1,734.57</b>	<b>17.80</b>	<b>1,127.11</b>	<b>13.73</b>	<b>53.90</b>
Other comprehensive income / (loss)	(4.61)	(0.05)	4.37	0.05	(205.49)
<b>Total comprehensive income for the year</b>	<b>1,729.96</b>	<b>17.76</b>	<b>1,131.48</b>	<b>13.78</b>	<b>52.89</b>

**1. Revenue****1.1 Revenue from Operations**

R Systems derives revenue primarily from Information Technology services and Business Process Outsourcing services (knowledge services). Revenue is recognised when the performance obligations as promised have been satisfied with a transaction price and when there is no uncertainty as to the measurement or collectability of the consideration.

**1.1.1 Based on Consolidated Financial Statement**

(₹ in million)					
Particulars	Year ended December 31, 2023	%	Year ended December 31, 2022	%	change %
Information technology services	15,123.17	89.78	13,997.18	92.34	8.04
Business process outsourcing services	1,722.01	10.22	1,161.13	7.66	48.30
<b>Total</b>	<b>16,845.18</b>	<b>100.00</b>	<b>15,158.31</b>	<b>100.00</b>	<b>11.13</b>

**1.1.2 Based on Standalone Financial Statement**

(₹ in million)					
Particulars	Year ended December 31, 2023	%	Year ended December 31, 2022	%	change %
Information technology services	7,255.31	80.27	6,930.61	85.15	4.69
Business process outsourcing services	1,783.56	19.73	1,208.29	14.85	47.61
<b>Total</b>	<b>9,038.87</b>	<b>100.00</b>	<b>8,138.90</b>	<b>100.00</b>	<b>11.06</b>



## Annexure ‘E’ to the Directors’ Report

### 1.1.3 Consolidated Revenue by Geography

R Systems earns income from four principal geographic territories, namely North America, Europe, South East Asian countries (“SEAC”), India and others. A significant proportion of the revenues were derived from clients located in North America. The geographic breakdown is given below:

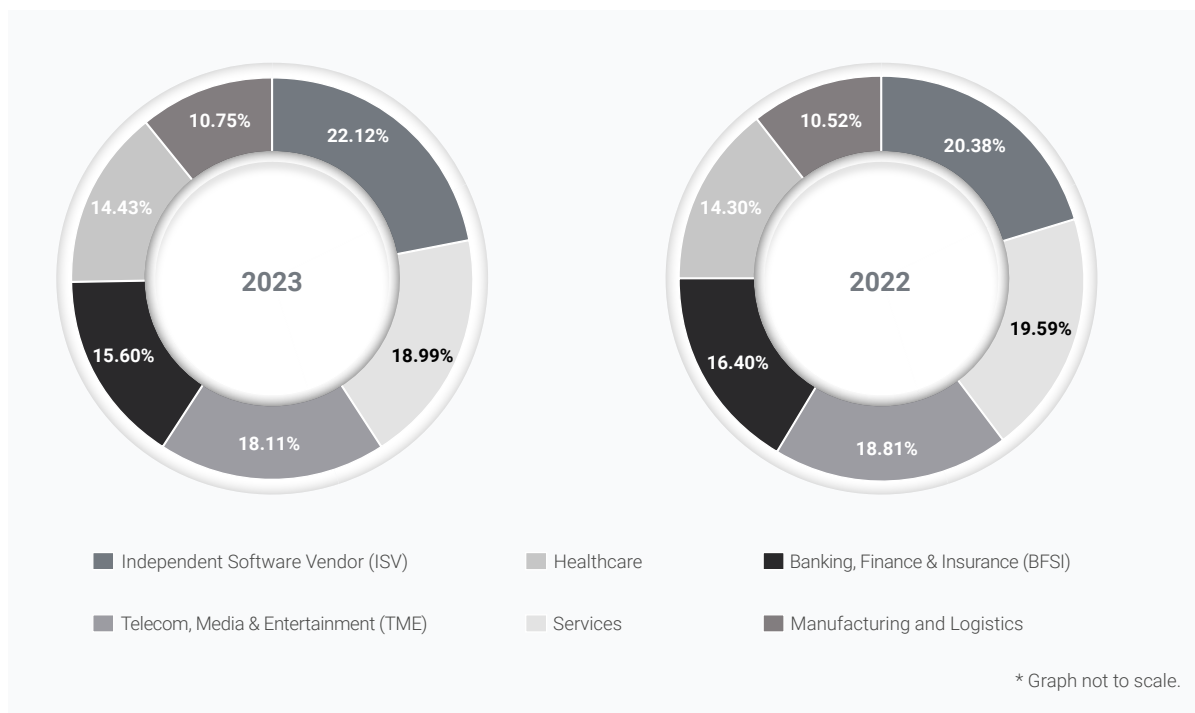
Geography	Year ended	
	December 31, 2023	December 31, 2022
North America	73.99%	74.20%
Europe	10.05%	10.39%
SEAC	12.78%	12.54%
India	1.88%	1.88%
Others	1.30%	0.99%
	100.00%	100.00%

### 1.1.4 Consolidated Revenue by Client Concentration

The breakdown of R Systems’ consolidated revenue based on client concentration for the year ended December 31, 2023 and 2022 is as follows:

Revenue from Top 10 Clients	Year ended	
	December 31, 2023	December 31, 2022
Top 10 Clients	23.70%	22.81%
Top 5 Clients	16.87%	15.25%
Top 3 Clients	12.73%	11.59%
Largest Client	6.55%	6.66%

### 1.1.5 Consolidated Revenue by Customer industry type



## 1.2 Other Income

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Interest income	67.34	40.45	54.02	34.96
Dividend From subsidiary companies	-	-	573.90	3.40
Rental income from investment property	6.72	6.72	6.72	6.72
Foreign exchange fluctuation (net)	23.15	-	64.37	-
Liability no longer required written back	5.38	-	-	-
Lease rent concession	-	7.47	-	7.10
Profit on sale of property, plant and equipment (net)	-	3.28	-	1.13
Profit on cancellation of leases (net)	-	0.20	-	0.20
Net gain arising on financial assets measured at FVTPL	4.62	6.40	4.62	6.40
Net gain on fair value of Investment in associates	2.04	-	-	-
Gain on Liquidation of subsidiary	-	-	-	0.15
Fair Value Adjustment on Investment	-	25.79	-	-
Miscellaneous income	6.08	12.58	2.79	10.38
<b>Total other income</b>	<b>115.33</b>	<b>102.89</b>	<b>706.42</b>	<b>70.44</b>

## 2. Expenditures

### 2.1 Personnel Expenses

Personnel expenses primarily consist of salaries, wages, bonus, Provision for compensated absences, gratuity benefits, contribution towards provident and other funds and staff welfare expenses.

#### 2.1.1 Based on Consolidated Financial Statement:

(₹ in million)

Particulars	2023	% of Total Income	2022	% of Total Income	Change %
Salaries, wages and bonus	10,464.39	61.70	9,408.89	61.65	11.22
Gratuity expenses	62.35	0.37	49.00	0.32	27.24
Contribution to provident and other funds	529.27	3.12	478.19	3.13	10.68
Staff welfare expenses	279.34	1.65	257.97	1.69	8.28
<b>Total</b>	<b>11,335.35</b>	<b>66.83</b>	<b>10,194.05</b>	<b>66.80</b>	<b>11.20</b>

#### 2.1.2 Based on Standalone Financial Statement:

(₹ in million)

Particulars	2023	% of Total Income	2022	% of Total Income	Change %
Salaries, wages and bonus	5,629.39	57.77	5,174.12	63.03	8.80
Gratuity expenses	55.88	0.57	49.00	0.60	14.04
Contribution to provident and other funds	208.01	2.13	192.84	2.35	7.87
Staff welfare expenses	121.13	1.24	117.65	1.43	2.96
<b>Total</b>	<b>6,014.41</b>	<b>61.72</b>	<b>5,533.61</b>	<b>67.41</b>	<b>8.69</b>

### 2.2 Finance costs (Interest expenses)

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
On borrowings	24.25	1.16	24.25	1.16
On lease liabilities	62.05	46.80	56.47	41.40
On fair value of contingent consideration	-	0.77	-	-
On income tax	3.20	0.25	0.46	0.08
<b>Total</b>	<b>89.50</b>	<b>48.98</b>	<b>81.18</b>	<b>42.64</b>

## Annexure 'E' to the Directors' Report

### 2.3 Depreciation and Amortisation Expense

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
Depreciation of property, plant and equipment	263.37	216.05	188.52	155.23
Depreciation of investment property	1.47	1.47	1.47	1.47
Depreciation on right-of-use assets	131.50	111.01	46.30	36.56
Amortisation of intangible assets	147.70	21.25	3.66	2.57
<b>Total Depreciation and Amortisation</b>	<b>544.04</b>	<b>349.78</b>	<b>239.95</b>	<b>195.83</b>
% of Total income	3.21	2.29	2.46	2.39

### 2.4 Operational and other expenses

Operational and other expenses include power and fuel, expenses on travelling and conveyance, software subscription charges, non-capitalised lease rent, commission, communication, legal and professional expenses including sub-contractor costs, cost of third party items, audit fees, the provision for doubtful debts (net), Foreign exchange fluctuation loss (net), advance written off, contributions towards corporate social responsibility and other miscellaneous items.

#### 2.4.1 Based on Consolidated Financial Statement:

(₹ in million)

Particulars	2023	% of Total Income	2022	% of Total Income	Change %
Power and fuel	55.00	0.32	52.59	0.34	4.58
Rent - premises	62.63	0.37	62.08	0.41	0.88
Software subscription charges	216.53	1.28	174.75	1.15	23.91
Repair and maintenance	73.98	0.44	72.35	0.47	2.25
Commission	4.66	0.03	7.64	0.05	(39.00)
Travelling and conveyance	252.42	1.49	201.89	1.32	25.03
Communication costs	115.65	0.68	129.61	0.85	(10.77)
Legal and professional fees	1,437.77	8.48	1,495.80	8.82	(3.88)
Cost of third party items	295.01	1.74	267.83	1.75	10.15
Auditors' remuneration	29.08	0.17	24.66	0.14	17.92
Provision for doubtful debts (net)	68.98	0.41	51.87	0.34	32.98
Loss on sale / discarding of property, plant and equipment (net)	4.48	0.03	-	-	100.00
Contribution towards corporate social responsibility	23.27	0.14	17.60	0.12	32.22
Foreign exchange fluctuation (net)	-	-	79.47	0.52	(100.00)
Miscellaneous expenses	346.90	2.05	328.68	2.15	5.54
<b>Total</b>	<b>2,986.36</b>	<b>17.61</b>	<b>2,966.82</b>	<b>19.44</b>	<b>0.66</b>

#### 2.4.2 Based on Standalone Financial Statement:

(₹ in million)

Particulars	2023	% of Total Income	2022	% of Total Income	Change %
Power and fuel	34.02	0.35	33.35	0.41	2.01
Rent - premises	29.69	0.30	30.76	0.37	(3.48)
Software subscription charges	171.36	1.76	138.62	1.69	23.62
Repair and maintenance	53.75	0.55	53.45	0.65	0.56
Commission	4.66	0.05	7.62	0.09	(38.85)
Travelling and conveyance	171.91	1.76	128.32	1.56	33.97
Communication costs	81.13	0.83	95.05	1.16	(14.64)
Legal and professional fees	358.42	3.68	302.15	3.68	18.62
Auditors' remuneration	6.87	0.07	6.30	0.08	9.05
Provision for doubtful debts (net)	68.87	0.71	46.72	0.57	47.41
Loss on sale / discard of property, plant and equipment (net)	0.10	0.00	-	-	100.00
Contribution towards corporate social responsibility	23.27	0.24	17.60	0.21	32.22
Foreign exchange fluctuation (net)	-	-	47.77	0.58	(100.00)
Miscellaneous expenses	223.82	2.30	189.06	2.30	18.39
<b>Total</b>	<b>1,227.87</b>	<b>12.60</b>	<b>1,096.77</b>	<b>13.36</b>	<b>11.95</b>

#### 2.5 Tax expense

Tax expense comprises current tax and deferred tax.

(₹ in million)

Particulars	Consolidated		Standalone	
	2023	2022	2023	2022
<b>Profit Before Tax</b>	2,000.22	1,701.57	2,181.88	1,340.49
Current tax	613.59	387.19	485.60	296.55
Deferred tax credit	(14.43)	(82.43)	(38.29)	(83.17)
<b>Total Tax Expense</b>	<b>599.16</b>	<b>304.76</b>	<b>447.31</b>	<b>213.38</b>
<b>Effective Tax Rate (%)</b>	29.95	17.91	20.50	15.92

Effective Tax Rate in Consolidated Financial Statement is increased due to amortisations of intangibles acquired via acquisitions which is non tax deductible.

## Annexure 'E' to the Directors' Report

### J. Details of significant changes i.e. change of 25% or more as compared to the immediately previous financial year, in key financial ratios, along with detailed explanations therefore, including:

Ratio	Consolidated			Standalone		
	2023	2022	Variance	2023	2022	Variance
Debtors Turnover (in days)	55	52	5.0%	44	46	(3.6)%
Inventory Turnover	NA	NA		NA	NA	
Interest Coverage*	22.12	33.64	(34.3)%	19.18	30.79	(37.7)%
Current Ratio <sup>§</sup>	1.70	3.18	-46.58%	1.25	3.37	(62.80)%
Debt Equity Ratio <sup>®</sup>	0.21	0.14	51.74%	0.24	0.16	52.41%
Operating Profit Margin	11.8%	10.9%	8.1%	17.2%	16.1%	6.8%
Net Profit Margin <sup>#</sup>	8.32%	9.21%	(9.74)%	19.19%	13.85%	38.57%
Return on Net worth	24.22%	27.78%	(12.80)%	37.85%	30.65%	23.48%

\* Interest coverage ratio has decreased mainly due to increase in finance cost on short term borrowings.

§ Current ratio has decreased due to increase in short-term borrowings

® Debt equity ratio has increased due to increase in short-term borrowings

# Increase in Standalone net profit margins is mainly due to dividend received from subsidiaries during last year.

#### Note:

Debtors Turnover = Average Trade Receivables / Revenue from operations \* 360

Operating Profit = Profit before tax (PBT)

less Finance cost, exceptional items and other income

Interest Coverage = Operating profit / Finance cost

Current Ratio = Current Assets / Current Liability

Debt Equity Ratio = Total Debt

(borrowings + lease liabilities) / Shareholders' equity

Operating Profit Margin = Operating profit / Revenue

Net Profit Margin = Profit after tax (PAT) / Revenue

Return on Net worth = Profit after tax (PAT) /

Average shareholders' equity.

#### On behalf of the Board

For **R SYSTEMS INTERNATIONAL LIMITED**

#### Ruchica Gupta

(DIN: 06912329)

(Chairperson & Non-Executive Independent Director)

Place : Delhi

Date : May 02, 2024

#### Nitesh Bansal

(DIN: 10170738)

(Managing Director & Chief Executive Officer)

Place : Frisco Tx, USA

Date : May 02, 2024



## Annexure 'F' to the Directors' Report

# Business Responsibility and Sustainability Report

### Section A General Disclosures

#### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L74899DL1993PLC053579
2. Name of the Listed Entity	R Systems International Limited ("R Systems" / "Company")
3. Year of incorporation	1993
4. Registered office address	GF-1-A, 6, Devika Tower, Nehru Place, Delhi – 110019
5. Corporate address	C-40, Sector-59, Noida, Uttar Pradesh – 201307
6. E-mail	<a href="mailto:investors@rsystems.com">investors@rsystems.com</a>
7. Telephone	+91 (120) 4303500
8. Website	<a href="http://www.rsystems.com">www.rsystems.com</a>
9. Financial year for which reporting is being done	January 01, 2023 – December 31, 2023
10. Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Ltd. (BSE)
11. Paid-up Capital	118,303,445
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Nand Sardana, Chief Financial Officer Telephone: +91 (120) 4303500 E-mail id: <a href="mailto:rsil@rsystems.com">rsil@rsystems.com</a>
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report have been made on standalone basis.
14. Name of assurance provider	NA
15. Type of assurance	NA

#### II. Products/services

##### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Computer programming, consultancy and related activities	Computer programming, consultancy and related activities (IT consultancy, Information and Business process outsourcing services, etc.)	100%

##### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Information technology services and products	620	80.27%
2.	Business process outsourcing services	620	19.73%

## Annexure 'F' to the Directors' Report

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	5	5
International	NA	1	1

**Note:** R Systems maintains eighteen development and service centres to serve customers in North America, Europe, APAC and India through its subsidiaries.

#### 19. Markets served by the entity:

##### a. Number of locations

Location	Numbers
National (No. of States)	7 States and 1 Union Territory
International (No. of Countries)	39*

\*Excluding India.

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

97.09 % of the total turnover of the Company on standalone basis.

##### c. A brief on types of customers:

Our product mindset and engineering capabilities allow us to partner with the key players in the Tech industry, including ISVs (independent software vendors), SaaS companies, and product companies in Telecom, Media, Fintech, Insurtech, and Healthtech verticals.

For more information on our Customers, please visit our website: <https://www.rsystems.com/>.

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent (D)	2,843	2,328	81.89%	515	18.11%
2	Other than Permanent (E)	31	27	87.10%	4	12.90%
3	<b>Total employees (D + E)</b>	<b>2,874</b>	<b>2,355</b>	<b>81.94%</b>	<b>519</b>	<b>18.06%</b>
<b>Workers</b>						
4	Permanent (F)					
5	Other than Permanent (G)			NA*		
6	<b>Total workers (F + G)</b>					

\*The Company does not categorize its workforce as workers.

##### b. Differently abled Employees and workers (FY 2023):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1	Permanent (D)	2	1	50.00%	1	50.00%
2	Other than Permanent (E)	-	-	0.00%	-	0.00%
3	<b>Total differently abled employees (D + E)</b>	<b>2</b>	<b>1</b>	<b>50.00%</b>	<b>1</b>	<b>50.00%</b>
<b>Differently Abled Workers</b>						
4	Permanent (F)					
5	Other than permanent (G)			NA		
6	<b>Total differently abled workers (F + G)</b>					

## 21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	7	1	14.29%
Key Management Personnel <sup>@</sup>	3 <sup>@</sup>	0	0%

\*As on December 31, 2023.

<sup>@</sup>Includes Managing Director & Chief Executive Officer who is also part of Board of Directors.

## 22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023 (Turnover Rate) *			FY 2022 (Turnover Rate) *			FY 2021 (Turnover Rate) *		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.71%	17.90%	13.70%	25.13%	26.10%	25.31%	22.61%	21.72%	22.48%
Permanent Workers	NA								

\*This data is voluntary Attrition %..

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. Names of holding/ subsidiary/ associate companies/ joint ventures

S No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1.	BCP Asia II Topco II Pte. Ltd., Singapore	Holding	51.93%	No, however, subsidiary companies share our vision, ethics and values and are required to pursue responsible practices as per the laws applicable to them.
2.	R Systems, Inc., USA	Subsidiary	100%	
3.	RSYS Technologies Ltd., Canada	Subsidiary	100%	
4.	R Systems Technologies Limited, USA	Subsidiary	100%	
5.	R Systems Computaris International Limited, UK	Subsidiary	100%	
6.	R Systems Computaris Europe S.R.L., Romania <sup>1</sup>	Subsidiary	100%	
7.	R Systems Computaris Poland Sp. Z.O.O., Poland <sup>1</sup>	Subsidiary	100%	
8.	R Systems Computaris S.R.L., Moldova <sup>1</sup>	Subsidiary	100%	
9.	R Systems Computaris Malaysia Sdn. Bhd., Malaysia <sup>1</sup>	Subsidiary	100%	
10.	R Systems Computaris Philippines Pte. Ltd. Inc., Philippines <sup>1</sup>	Subsidiary	100%	
11.	R Systems Computaris Suisse Sarl, Switzerland <sup>1</sup>	Subsidiary	100%	
12.	R Systems Consulting Services Limited, Singapore <sup>2</sup>	Subsidiary	99.75%	
13.	R Systems Consulting Services (M) Sdn. Bhd., Malaysia <sup>3</sup>	Subsidiary	99.75%	
14.	R Systems Consulting Services (Thailand) Co., Ltd., Thailand <sup>3</sup>	Subsidiary	99.75%	
15.	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China <sup>3</sup>	Subsidiary	99.75%	
16.	R Systems Consulting Services (Hong Kong) Ltd., Hong Kong <sup>3</sup>	Subsidiary	99.75%	
17.	R Systems Consulting Services Kabushiki Kaisha, Japan <sup>3</sup>	Subsidiary	99.75%	
18.	R Systems Consulting Services Company Limited, Vietnam <sup>3</sup>	Subsidiary	99.75%	
19.	R Systems (Singapore) Pte. Limited, Singapore	Subsidiary	100.00%	
20.	R Systems IBIZCS Pte. Ltd., Singapore <sup>4</sup>	Subsidiary	100.00%	
21.	IBIZ Consulting Services Pte. Ltd., Singapore <sup>5&amp;8</sup>	Subsidiary	100.00%	
22.	R Systems IBIZCS Sdn. Bhd., Malaysia <sup>5</sup>	Subsidiary	100.00%	
23.	PT R Systems IBIZCS International, Indonesia <sup>5</sup>	Subsidiary	100.00%	
24.	IBIZ Consulting (Thailand) Co. Ltd., Thailand <sup>5</sup>	Subsidiary	100.00%	



## Annexure 'F' to the Directors' Report

S No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
25.	IBIZ Consulting Service Limited, Hong Kong <sup>5</sup>	Subsidiary	100.00%	
26.	IBIZ Consulting Service Shanghai Co., Ltd, People's Republic of China <sup>6</sup>	Subsidiary	100.00%	
27.	Velotio Technologies Private Limited, India	Subsidiary	100% Equity shares	
28.	Scaleworx Technologies Private Limited, India <sup>7</sup>	Subsidiary	100% Equity shares	

1. Subsidiaries of R Systems Computaris International Limited, UK.

2. The shareholding held by the Company and R Systems (Singapore) Pte Limited is 69.37% and 30.38% respectively.

3. Wholly owned subsidiary of R Systems Consulting Services Limited, Singapore.

4. Wholly owned subsidiary of R Systems (Singapore) Pte. Limited, Singapore.

5. Wholly owned subsidiary of R Systems IBIZCS Pte. Ltd., Singapore.

6. Wholly owned subsidiary of IBIZ Consulting Services Limited - Hong Kong.

7. Wholly owned subsidiary of Velotio Technologies Private Limited w.e.f. December 01, 2023.

8. Subsequent to the year ended December 31, 2023, IBIZ Consulting Services Pte. Ltd., Singapore was struck off from the Registrar of Companies, Singapore.

### VI. CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes  
ii. Turnover (in Rs.) (FY 2023): ₹ 9,038.87 million  
iii. Net worth (in Rs. (FY 2023): ₹ 4,822.97 million

### VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place(Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities*	Yes	-	-	NA	-	-	NA
Investors (Other than shareholders)	Yes	-	-	Investor and shareholders grievances can be sent through e-mail to the following designated e-mail id: <a href="mailto:investors@rsystems.com">investors@rsystems.com</a> .	-	-	-
Shareholders		9	-	Shareholders also have the recourse to reach Registrar and Transfer Agent (RTA) of the Company for various queries related to share transfers, correspondence relating to shares, dividend etc.	17	-	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place(Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes	-	-	<p>There is a complaint/ grievances redressal mechanism in place to address all questions, concerns and problems of employees. Employees having any suggestion, grievances and complaints may send an e-mail at the designated e-mail id: <a href="mailto:HRD@rsystems.com">HRD@rsystems.com</a>.</p> <p>In addition, the Company has constituted an Internal Complaints Committee (ICC) to deal with complaints in the nature of Sexual Harassment of Women Employees. The e-mail id of ICC is <a href="mailto:ICC@rsystems.com">ICC@rsystems.com</a>.</p> <p>Further, cases falling under the purview of the Whistle Blower are handled as per the Whistle Blower Policy, which enables employees to freely communicate their concerns on illegal or unethical practices directly to the Chairman of the Audit Committee e-mail id: <a href="mailto:Chairman.AuditCommittee@rsystems.com">Chairman.AuditCommittee@rsystems.com</a>.</p>	-	-	NA
Customers	Yes	-	-	<p>Yes, Customers have various channels for raising grievances through account managers, client engagement managers.</p> <p>Escalation mechanisms are defined in individual client contracts and corrective action of Grievance are taken as per R Systems Quality Policies.</p>	-	-	NA

## Annexure 'F' to the Directors' Report

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place(Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes	-	-	Complaints/ Grievances from Suppliers Partners are addressed at the appropriate level on a case-to-case basis.	-	-	NA

\*The Company is connected with the ground level realities of our projects along with implementation partners. This provides ample opportunity to receive and redress grievances of the intended beneficiaries.

Policies as per the Act and Listing Regulations are available on the website the Company i.e. <https://www.rsystems.com/corporate-governance/policies/> and all other policies are displayed on our intranet.

**Note:** Two anonymous complaints were raised through whistle blower mechanism which were resolved within the statutory time limit.

### 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material Issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
1	Climate Change & Resource Management	Risk	<p><b>Risk:</b></p> <ol style="list-style-type: none"> <li>The rise in greenhouse gas emissions contributes to climate change, amplifying the frequency and severity of extreme weather events like heat waves, cold waves, tropical cyclones, floods, seasonal diseases, epidemics, and pandemics. These events pose potential risks to both human safety and business operations.</li> </ol>	<p><b>GHG emissions:</b> Enablement of remote work with advanced technology to cut down commuting-related emissions and promote a flexible work environment.</p> <p><b>Energy Management:</b></p> <ul style="list-style-type: none"> <li>Enhancing the use of LED lights and power-saving equipment to reduce electricity consumption.</li> </ul>	Negative Implication is in the form of electricity used and the waste generated in IT & IT enabled services company.

S. No.	Material Issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
				<ul style="list-style-type: none"> <li>Optimized Air Conditioning Systems, Utilizing energy-efficient compressors for central air conditioning and split air conditioning in localized areas.</li> <li>Converted Diesel generators to dual fuel-based alternative at one of the owned premises, aligning with a commitment to cleaner power generation.</li> </ul>	
2	Employee Management	Opportunity & Risk	<p><b>Opportunity:</b></p> <p>R Systems is making constant effort to prioritize employee development, diversity &amp; inclusivity, with focus on employee well-being and occupational safety. The Company demonstrates its values and culture of caring and appreciation to its employees through various employee engagement initiatives which enables employee retention and contributes to Company growth.</p> <p><b>Risk:</b></p> <p>The nature of the IT services industry requires the Company to actively seek and retain professionals who possess the specific skill sets required to fulfil Customer demands.</p>	<ol style="list-style-type: none"> <li>Implemented various trainings focused on mental health, wellness, and continuous skill development to align employee skills with dynamic industry demands.</li> <li>Implemented policies promoting gender diversity and ensuring equal opportunities.</li> <li>Integrated proactive safety measures, including training programs and emergency response plans.</li> </ol>	Negative Implication is in the form of diminished employee morale, reduced diversity, increased attrition, and potential recruitment costs, impacting the Company's overall performance and financial health, arising from inadequate focus on Employee development, and talent retention.
3	Community Welfare	Opportunity	Elevating community welfare at R Systems is an opportunity to cultivate positive social impact, strengthen stakeholder relationship, and contribute to sustainable business growth.	-	Positive

## Annexure 'F' to the Directors' Report

S. No.	Material Issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
4	Human Rights	Opportunity	Championing human rights at R Systems include prohibiting discrimination/ harassment on the basis caste, creed, religion, Gender and medical condition etc. eliminating all forms of child and forced labour, ensuring fair wages, and upholding POSH (Prevention of Sexual Harassment) principles which aligns with ethical business values and strengthens corporate reputation, employee engagement, and overall business sustainability.	--	Positive
5	Corporate Governance & Business Ethics	Risk & Opportunity	<p><b>Opportunity:</b></p> <p>Good Corporate Governance is pivotal in balancing stakeholder interests.</p> <p>Company adheres to the comprehensive governance framework that includes clear policies, ethical guidelines, and regular audits to proactively identify and address potential issues which improves our relationship with our stakeholders, build and strengthen Company's reputation and business continuity.</p> <p><b>Risk :</b></p> <p>Inadequate compliance measures pose significant risks for R Systems, including legal penalties, reputational damage, and operational disruptions, potentially undermining the Company's overall performance and stakeholder trust.</p>	<p>R Systems closely monitors regulatory changes, ensuring timely compliance updates and proactively adjusting internal processes.</p> <p>The Company continues to implement organization-wide training programs to ensure sustained awareness and adherence to compliance requirements, mitigating associated risks effectively.</p>	<p>Positive &amp; Negative</p> <p>Negative implication in the form of legal actions due to violation of Corporate Governance rules.</p>

S. No.	Material Issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
6	Data Privacy & Cyber Security	Risk	<p>Cyber threats, data breaches, third-party risks, data retention challenges, and cloud security vulnerabilities pose substantial risks to R Systems, jeopardizing sensitive information and regulatory compliance.</p>	<ul style="list-style-type: none"> <li>R Systems continues to improve the effectiveness of its Information Security Management System (ISMS) in accordance with the requirement of ISO 27001 ensuring a robust foundation for data privacy and cybersecurity.</li> <li>R Systems is persistent in implementing stringent security controls, including access controls, encryption, continuous monitoring, and comprehensive training programs. Additionally, the Company conducts regular internal risk assessments to identify and address vulnerabilities, proactively implementing corrective action plans to enhance cybersecurity measures.</li> </ul>	<p>Negative implication is in the form of Data Privacy &amp; Cyber Security vulnerabilities expose the Company to the risk of data breaches and cyber-attacks, potentially leading to financial losses and reputational damage.</p>
7	Customer Centricity/ Satisfaction	Opportunity	<p>R Systems is committed to expand its reach by strategically managing its flagship multi-service accounts. The key focus lies in efficient client management and revenue generation through business transformation, expanding its service technology offerings to align with dynamic customer demands.</p> <p>Continuous customer feedback, sought through various channels allow us to proactively identify and address concerns while gauging future needs. Customer Satisfaction Surveys provide us structured insights for refining our deliverables and services.</p>	-	Positive

## Annexure ‘F’ to the Directors’ Report

### Section B Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies as per the Act and Listing Regulations are available on the website the Company i.e. <a href="https://www.rsystems.com/corporate-governance/policies/">https://www.rsystems.com/corporate-governance/policies/</a> and all other policies are displayed on our intranet.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusts) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Policies have been formulated and implemented in accordance with National Guidelines on Responsible Business conduct, requirements of the Companies Act, 2013 and SEBI regulations. Data Privacy Policies, Cyber Securities Policies are aligned with the internationally renowned quality standards and models like ISO 27000:2013.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are in the process of developing the goals and targets that align with the nine principles with regard to ESG and overall development and growth.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met..	NA								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):	<p>Dear Stakeholders,</p> <p>At R Systems, our commitment to Environmental, Social, and Governance (ESG) principles is deeply integrated into our business strategies. This commitment supports our operational efficiency and drives our community impact, reflecting in our enhanced ESG performance over the past year.</p> <ul style="list-style-type: none"> <li>• Our collaboration with IIT Delhi harnesses AI to address complex sustainability challenges and stands as a testimonial to our commitment to technological innovation in service of societal benefits.</li> <li>• R Systems' community engagement in the last financial year through CSR activities involved a significant investment in impactful educational and environmental projects, which we highlighted in the annual report.</li> <li>• In our water management practices, we have repurposed waste water for gardening and washroom flushes in our Noida office.</li> <li>• Our office in Noida showcases our dedication to green infrastructure, featuring energy-efficient designs and systems that significantly reduce our ecological footprint.</li> </ul> <p>We also recognize the growing emphasis our clients place on sustainable practices. This is increasingly becoming a decisive factor in their vendor selection, guiding our ongoing strategic adjustments to meet these expectations.</p> <p>Warm Regards, Nitesh Bansal, Managing Director &amp; Chief Executive Officer R Systems International Limited</p>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Nitesh Bansal, Managing Director & Chief Executive Officer (DIN:10170738)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details..	The Managing Director & Chief Executive Officer navigates the implementation of the ESG vision of the Company. The overall responsibility of the Company's Governance, Ethics and Sustainability practices rests with the Board and the Board Committees that play a key role in identifying, mitigating, and managing ESG risks and other material issues. We have various Board Committees like CSR Committee, Audit Committee and Risk Management Committee that provide the strategic direction and offers insights for our sustainability objectives and initiatives. The Board also reviews various aspects of sustainability areas.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
	1	2	3	4	5	6	7	8	9	1	3	4	5	6	7	8	9	
Performance against above policies and follow up action	Policies and procedures are periodically reviewed by the Board/ Board Committees/Functional Heads, as and when applicable.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	We comply with all the applicable laws of land where we operate in. The compliance with statutory requirements is reviewed by the Board/Board Committees/Functional Heads of the Company on a periodic basis.																	
	P1	P2	P3	P4	P5	P6	P7	P8	P9									
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has not carried out independent assessment of its policies through an external agency. However, all Company policies are regularly reviewed and updated by respective functional heads, followed by the Board/ Board Committees, as and when need arises due to external environment changes or geopolitical scenarios.																	

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not applicable								
It is planned to be done in the next financial year (Yes/No)									
<b>Any other reason (please specify)</b>									



## Annexure 'F' to the Directors' Report

### Section C Principle Wise Performance Disclosure

We believe that good Corporate Governance is a key contributor to sustainable corporate growth and creating superior for our stakeholders. We are committed to conduct our business in compliance with the laws, rules, and regulations and with the highest standards of business ethics i.e., with transparency, accountability, fairness, professionalism and social responsiveness.

#### Principle 1:

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	14	R Systems follows a structured orientation and training program for Independent Directors at regular intervals.  The details of the Familiarization Programs are available on the Company's website at the following link: <a href="https://www.rsystems.com/corporate-governance/policies/">https://www.rsystems.com/corporate-governance/policies/</a> .	100%
Key Managerial Personnel (KMP)	3	Anti Money Laundering and Foreign Corrupt Practices, Information and Security Management and POSH.	100%
Employees other than BoD and KMPs	26	Induction training, Business Ethics, Workplace Conduct, Fraud, Bribery & Corruption, Anti Money Laundering and Foreign Corrupt Practices, Conflict of Interest, POSH, Information and Security Management, Data Privacy.	100%
Workers		NA	

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions preferred? (Yes/No)	Amount (In INR) and Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	1	National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges")	Stock Exchanges have levied a penalty of ₹ 140,000/- each for non-compliance of Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. constitution of Nomination, Remuneration and Compensation Committee during the period from May 30, 2023 to August 07, 2023. The said penalty has been paid and non-compliance had been corrected w.e.f. August 08, 2023.	Yes
Settlement	-	-	-	-
Compounding fee	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions preferred? (Yes/No)	Amount (In INR) and Brief of the Case	Has an appeal been preferred? (Yes/No)

#### Imprisonment Punishment

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
The Company filed the Waiver Application with the Stock Exchanges to waive off the penalty levied, however, the waiver application was rejected.	National Stock Exchange of India Limited and BSE Limited

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company maintains a robust anti-bribery and anti-corruption policy applicable to individuals at all levels and grades. This comprehensive policy, accessible on the Company's website, offers detailed guidance on business ethics, values, and procedures, ensuring zero tolerance for bribery. The policy is applicable to the organization and its subsidiaries. Aligned with local laws, the policy enables stakeholders to detect and report breaches at the e-mail id of Chairperson of the Audit Committee at [Chairman.AuditCommittee@rsystems.com](mailto:Chairman.AuditCommittee@rsystems.com).

We emphasize the Company's commitment to the highest ethical standards in all business operations, thus fostering transparency and integrity.

The policy is available on the Company website at <https://www.rsystems.com/corporate-governance/policies/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2023 (Current Financial Year)		FY 2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	None	-	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	None	-	None

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

## Annexure 'F' to the Directors' Report

### 8. Number of days of accounts payables ((Accounts payable<sup>1</sup> \*365) / Cost of goods/services procured) in the following format:

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Number of days of accounts payables	Within 27 days	Within 18 days

<sup>1</sup> Average Account Payable.

### 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	-	-
	b. Number of dealers/ distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)*	11.95%	7.61%
	b. Sales (Sales related parties/ Total Sales)*	5.60%	5.30%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	-	-
	d. Investments (Investments in related parties/ Total Investments made)	-	-

\*Excluding reimbursement on account of Travel and other expenses.

### Leadership Indicators

#### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year::

Our agreement with the suppliers consists of supplier code of conduct which includes clauses related to ethical business, labour laws, EHS etc. However, R Systems has been planning to formulate formal training programmes for our value chain partners to educate them on these principles.

#### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Board of Directors, Senior management of the Company adheres to a Code of Conduct for Directors & Senior Management of R Systems which expressly outline provisions addressing conflicts of interest.

In addition, the Company has a Policy on Conflict of Interest which is applicable to all board members the employee, Contractors & Consultants of Company and its group companies across all geographies.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**
**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)	Details of improvements in Environmental and social impacts
R&D	-	-	-
Capex (₹ in Million)	4.18	-	Transitioned from diesel-powered generators to dual-fuel generators at one of the owned premises.

R Systems helps its clients to digitize their entire value chains and infuse intelligent automation while promoting sustainability through digitalization. We do not quantify the proportion of R&D and capital expenditure (Capex) investments in particular technologies to enhance the environmental and social impact of our products and processes.

R Systems has setup a Center of Excellence (CoE) at the prestigious Indian Institute of Technology, Delhi (IIT-Delhi) on Applied AI for Sustainable Systems. This initiative underscores the strategic priority of R Systems to promote innovation, enhance new-age skills, and develop deep tech.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

R Systems is committed to foster the judicious and responsible utilization of resources across its operations. In this endeavour, the Company has formulated a supplier code of conduct. This policy serves as a guiding framework for suppliers when engaging with the Company and propelling them to implement procedures stringent environmental, Governance and social aspects in their operations. Given the nature of R Systems' business in IT and IT-enabled services, resource consumption is judiciously aligned with operational necessities. We mandate suppliers to comply with pertinent environmental regulations and to conduct their business sustainably.

- b. **If yes, what percentage of inputs were sourced sustainably?**

We are in the process to track and monitor the % of inputs sustainably sourced.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not applicable as per the nature of the business.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility (EPR) is not applicable to the Company's activities.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
----------	--------------------------	---------------------------------	--	---	---

The Company is in the business of IT and IT enabled services, therefore, Life Cycle Assessment (LCA) has not yet been undertaken for the services provided by the Company.

## Annexure 'F' to the Directors' Report

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Not Applicable, given the nature of the business of the Company.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics including packaging)	Not Applicable, as we are an IT and IT enabled services company and do not manufacture any product.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable, as we are an IT and IT enabled services company and do not manufacture any product.	

### Principle 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	2,328	2,328	100%	2,328	100%	NA		15	0.64%	2,313	99.36%
Female	515	515	100%	515	100%	515	100%	NA		512	99.42%
<b>Total</b>	<b>2,843</b>	<b>2,843</b>	<b>100%</b>	<b>2,843</b>	<b>100%</b>	<b>515</b>	<b>18.11%</b>	<b>15</b>	<b>0.53%</b>	<b>2,825</b>	<b>99.37%</b>
<b>Other than Permanent employees</b>											
Male	27	27	100%	27	100%	NA				27	100%
Female	4	4	100%	4	100%	4	100%	NA		4	100%
<b>Total</b>	<b>31</b>	<b>31</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>4</b>	<b>12.90%</b>			<b>31</b>	<b>100%</b>

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male											
Female						NA					
<b>Total</b>											
<b>Other than Permanent workers</b>											
Male											
Female						NA					
<b>Total</b>											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	1.34%	1.45%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%		Y	100%		Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	2%		Y	1.50%		Y

**Note:** Data Specific to India

3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, the Company strives to provide an inclusive infrastructure that takes into account the demographics and composition of its workforce. Most of the Company's facilities are equipped with wheelchair facilities, elevators and ramps as per the Rights of Persons with Disabilities Act, 2016 to ensure access to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, R Systems is an equal opportunity employer and ensures all persons are treated equally without any biasness irrespective of gender, caste, creed, colour, religion, disability, or sexual orientation. The Company has formulated an equal opportunity policy which commits towards creating and maintaining a fair, safe, healthy, nurturing, and vibrant work environment, across all its operations. As per the provisions of the Policy the Company ensures its facilities are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Policy is available at the website of the Company at <https://www.rsystems.com/corporate-governance/policies/>

## Annexure 'F' to the Directors' Report

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-		
Female	96.15%	62.96%	NA	
<b>Total</b>	96.15%	62.96%		

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	The Company encourages all employees and stakeholders to report evidence of activities by the Company, departments, or employees that may constitute improper activities affecting its business or reputation.
Other than Permanent Employees	<p>The Company has policy on Anti-Discrimination/Harassment of Transgenders and people with HIV/AIDS infections at workplace.</p> <p>To address questions, concerns and problems of employees, the Company has a robust complaint and grievances redressal mechanism in place. Employees can raise their complaints, grievance, concern and provide suggestions on a dedicated email Id i.e., <a href="mailto:HRD@rsystems.com">HRD@rsystems.com</a></p> <p>The Company has constituted dedicated Internal Complaints Committee (ICC) to handle complaints related to sexual harassment. Employees can file a complaint with the Head of HR or members of the ICC. The Head of HR Department, on receipt of any such complaint, shall make a formal reference to the ICC. The ICC, on receipt of any such complaint, shall take cognizance of the complaint and initiate inquiry proceedings, as required under the law.</p> <p>For sexual harassment grievances, the ICC can be reached at <a href="mailto:ICC@rsystems.com">ICC@rsystems.com</a>.</p> <p>The Whistle blower Policy allows employees to report concerns about illegal or unethical practices Concerns to the Chairman of the Audit Committee at the e-mail id: <a href="mailto:Chairman.AuditCommittee@rsystems.com">Chairman.AuditCommittee@rsystems.com</a></p>

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY 2023			FY 2022		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male						
Female						
Total Permanent Workers						
Male						
Female						

The Company does not have any employee association(s) or Unions

## 8. Details of training given to employees and workers:

Category	Total (A)	FY 2023 Current Financial Year				Total (D)	FY 2022 Previous Financial Year			
		On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No.(C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	2,355	2,355	100%	2,355	100%	2,637	2,468	93.59%	2,626	99.58%
Female	519	519	100%	519	100%	653	647	99.08%	653	100.00%
<b>Total</b>	<b>2,874</b>	<b>2,874</b>	<b>100%</b>	<b>2,874</b>	<b>100%</b>	<b>3,290</b>	<b>3,115</b>	<b>94.68%</b>	<b>3,279</b>	<b>99.67%</b>
<b>Workers</b>										
Male										
Female										NA
<b>Total</b>										

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male						
Female						
<b>Total</b>						
<b>Workers</b>						
Male						
Female						NA
<b>Total</b>						

All the eligible permanent employees have received performance and career development reviews during the year.

## 10. Health and safety management system:

## a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

R Systems is committed to fostering a robust safety culture within its operations. R Systems prioritizes the welfare of its employees as the Company diligently measure and report key safety indicators, encompassing both leading and lagging indicators, across the organization.

R Systems has established comprehensive frameworks and procedures designed to ensure the safety of its employees and assets. These encompass the maintenance of support utilities and regular checks on electric and fire safety equipment. Additionally, the admin team conducts periodic assessments of each unit to ensure compliance with statutory norms and requirements.

## b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

R Systems assesses work-related hazards and risks for routine and non-routine activities. Internal process owners identify and implement controls to manage safety related risks. A mitigation plan is in place to eliminate hazards.

## c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

R Systems has a safety incident reporting and management process to address work-related incidents, including accidents, near-misses, unsafe conditions, and acts. All employees have access to defined channels for transparent reporting on the basis of which necessary corrective actions are implemented. The Company emphasizes incident investigation and corrective measures to eliminate hazards and prevent future incidents.

Employee awareness on safety incident reporting is fostered through induction and ongoing communication. R Systems provides multiple avenues for reporting health and safety concerns, including an internal helpdesk and designated email ID of admin department, facilitating effective communication with concerned executives for resolution within specified timelines



## Annexure 'F' to the Directors' Report

**d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, R Systems prioritizes the holistic well-being of its employees, encompassing mental, ergonomic, and physical health, as well as safety at home. This comprehensive approach includes digital channels, hospital insurance etc. Employees have access to non-occupational medical care and virtual consultations with doctors. The Company demonstrates dedication to mental well-being by offering online counselling sessions, and organizing events such as online stand-up comedy shows and sessions on work-life balance for female employees. Additionally, policies like Group Personal Accident, Mediciam, and Group Term Life Insurance further reinforce a supportive and health-conscious work environment.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	NA	NA
Total recordable work-related injuries	Employees	-	-
	Workers	NA	NA
Number of fatalities	Employees	-	-
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	NA	NA

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company has implemented various measures to ensure a safe and healthy workplace as employee health and well-being is of paramount importance to the Company.

Furthermore, the Company ensures a systematic approach to maintaining a safe and healthy workplace for all employees working on its premises, incorporating the following measures:

- CCTV cameras are installed with employee privacy consideration.
- Security checks at entry and exit points of the Company.
- Periodic electrical preventive maintenance, including Thermography Inspections.
- Fire detection/alarm/suppression systems are regularly checked.
- Regular pest control, fogging, and rodent management.
- Periodic checks on drinking water quality for TDS, colour, odour, taste, and pH levels.
- Quarterly checks for DG Stack Emission, Noise Emission
- Ambient air quality and temperature are maintained in office premises.
- Security escorts provided for female employees traveling during evening/night pickups/drops. All Company vehicles are fitted with GPS tracker.
- Availability of separate Medical Room in Company premises and First aid Kits. First aid kits are also available in cabs for any emergency medical situations.
- Experienced Drivers are engaged for employee commute.
- Floor plans and signage are displaced strategically in the office.
- Health, safety, and well-being awareness sessions are conducted for employees.
- Adequate insurance policies for employees.
- Periodic health & safety training/sessions for employees.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	-	-	NA	-	-	NA
Health and safety	-	-	NA	-	-	NA

**14. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	At R Systems, we prioritize the well-being and safety of our employees. Our internal assessments, conducted rigorously across our offices, give the highest priority to evaluating and enhancing working conditions and health and safety practices. These assessments are instrumental in ensuring a secure and conducive work environment, aligning with our commitment to being an employee-centric Company.
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.**

No safety incidents were reported in FY 2023. However, ensuring workplace safety remains a top priority at R Systems. The Company employs relevant safety measures such as, safety trainings, safety inspections and internal assessments. Each office location is equipped with dedicated officials responsible for overseeing safety matters.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

	<b>(Y/N)</b>
Employees	Yes
Workers	NA

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

We require our suppliers/partners to adhere to our Suppliers code of conduct, business responsibility principles, and values. When the Company places an order, the vendor receives the cost along with GST, which the vendor is responsible for depositing with the government. The Accounts Team monitors this process, as the Company cannot claim the GST amount from the government until it has been deposited by the vendor. Additionally, the suppliers/ partners are responsible to ensure adherence to the law of land.

**3. Provide the number of employees / workers having suffered high consequence work related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	NA	-	-

## Annexure ‘F’ to the Directors’ Report

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

We do not offer a dedicated transition assistance program for retired or terminated employees, as our workforce primarily comprises highly skilled individuals who typically do not require such support.

**5. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices Working Conditions	R Systems emphasizes the importance of adherence to regulations, including those concerning health, safety, and working conditions, for all its value chain partners. While R Systems does not currently assess partners on these specific criteria, suppliers are obligated under contractual agreements to comply with R Systems's sustainability policies. These policies prioritize healthy working conditions and uphold a zero-tolerance stance towards human rights violations, ensuring responsible business conduct across the entire value chain.

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

We are in the process of developing the corrective actions to be taken, in case of any risk or concerns that may arise.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The key stakeholders’ groups are identified in consultation with the Company’s management based on their significance, role, and influence on our business. Our key stakeholders play an integral role in Company’s success because they are most influenced by our business activities. Correspondingly, the growth and performance of our Company largely rely on these stakeholders. Therefore, we have established a systemic management approach to facilitate effective communication with our stakeholders and gain insights from them. This approach allows us to comprehend their expectations, concerns and assimilate their feedback into our strategic planning. These interactions enhance our collective knowledge, assist in identifying priority areas, minimize risks, allocate resources, and align our actions towards achieving our strategic objective.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/ No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly/ others please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Customers	No	Customer Meetings, Customer Feedback Survey, Website, Webinars	Ongoing basis/ Annually	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Pricing and quality of services</li> </ul>
Employees	No	Notice Boards, Website, Intranet, e-mail communications, Employee Survey feedback, Annual Performance Review, Meetings, Trainings	Ongoing basis	<ul style="list-style-type: none"> <li>Professional development</li> <li>Working condition</li> <li>Employee performance</li> <li>Employee Satisfaction</li> <li>Work-life balance</li> <li>Company culture</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community, NGOs	Yes	Corporate Social Responsibility engagements, interaction with the beneficiaries (community meetings), Implementing partners	Ongoing basis	<ul style="list-style-type: none"> <li>Welfare of the Community</li> </ul>
Investors, Shareholders & Analysts	No	AGM, Investor meets/ calls, Newspaper Publications, Investor Grievance redressal mechanism, Designated E-mail ID	Annually/ Quarterly/ Need basis	<ul style="list-style-type: none"> <li>Updating on Business Strategies</li> <li>Review of Company's Performance</li> <li>Grievance Redressal</li> </ul>
Regulatory Bodies	No	Compliance Reports, Email, personal meetings, calls etc.	Ongoing basis	<ul style="list-style-type: none"> <li>Compliance with the law of the land</li> </ul>
Supplier	No	Email Communication, Supplier Grievance redressal mechanism	Ongoing basis	<ul style="list-style-type: none"> <li>Query resolution &amp; grievance redressal</li> <li>Timely payments of invoices</li> </ul>

### Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Consultation with stakeholders on sustainability topics is conducted periodically. The Senior Management is formally notified regarding the feedback received from stakeholders, particularly focusing on economic, environmental, and social aspects. The Board meetings provide an opportunity to review the outcomes of these consultations.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, R Systems is unwavering in its commitment to consistently motivate and inspire all internal and external stakeholders. Actively engaging with employees, clients, suppliers, partners, and surrounding communities, our collective objective is to foster a more equitable and sustainable world through the enhanced application of technology. This ongoing and progressive journey towards realizing our Environmental, Social, and Governance (ESG) objectives remains a key focus, and we are currently in the process of developing a comprehensive ESG roadmap. Through these consultations with both internal and external stakeholders, we discerned the pressing needs of the times, leading us to formulate policies such as Corporate Social Responsibility (CSR) policy and Environment, Health & Safety policy. Since then, our devotion to Corporate Social Responsibility is integral part of the ESG commitment, driving initiatives that positively impact society and the environment while aligning with our broader ESG goals. Moreover, it also reflects a holistic approach to creating lasting value for the communities we serve. Similarly, the Environment Policy and EHS policy of R Systems strives to achieve excellence in managing the environment, health, and safety in the areas of our operations.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The CSR activities of the Company supports underprivileged sections of society, strives to provide equitable opportunities to everyone for sustainable growth. The Company regularly monitors the progress of its initiatives and seeks feedback from local communities through consistent engagement via various channels. The implementing partner's active involvement in shaping and executing our range of CSR programs is pivotal. It not only helps establish trust with the implementing partner but also lays the framework for beneficial socioeconomic outcomes in the communities we serve.

## Annexure 'F' to the Directors' Report

### Principle 5: Businesses should respect and promote human rights

#### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	2,843	2,843	100%	3,260	2,990	91.71%
Other than permanent	31	31	100%	30	27	90.87%
<b>Total employee</b>	<b>2,874</b>	<b>2,874</b>	<b>100%</b>	<b>3,290</b>	<b>3,017</b>	<b>91.70%</b>
<b>Workers</b>						
Permanent						
Other than permanent						NA
<b>Total workers</b>						

**Note:** Human rights awareness and training are integral parts of our employee induction at R Systems. Periodic sessions on topics like POSH etc. aim to sensitize our workforce. All relevant materials and policies are conveniently accessible on our intranet portal, ensuring constant availability for employees.

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2023-24 Current Financial Year				Total (D)	FY 2022-23 Previous Financial Year			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	2,313	-	-	2,313	100%	2,594	-	-	2,594	100%
Female	512	-	-	512	100%	644	-	-	644	100%
<b>Other than Permanent</b>										
Male	27	-	-	27	100%	24	-	-	24	100%
Female	4	-	-	4	100%	6	-	-	6	100%
<b>Workers</b>										
Permanent										
Male										
Female										
Other than Permanent										NA
Permanent										
Male										
Female										

Note: Data specific to India

### 3. Details of remuneration/salary/wages

#### a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category (in INR)	Number	Median remuneration/ salary/ wages of respective category (in INR)
Board of Directors (BoD)	6	81,762,505	1	-
Key Managerial Personnel (KMP)	3	12,714,324	-	-
Employees other than BoD and KMP	2,325	1,851,420	515	1,184,796
Workers			NA	

#### Notes:

1. There have been changes in the composition of Board of Directors and KMPs during the year, which are detailed in the Board's Report. The number of Directors, KMPs and employees given above are as on December 31, 2023.
2. KMP includes the Managing Director and Chief Executive Officer who is also included in Board of Directors.
3. Non-Executive and Independent Directors are not entitled to any fixed or monthly salary or other remuneration except sitting fees.

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Gross wages paid to females as % of total wages	12.83%	14.39%

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, recognizing the paramount importance of human rights in our business operations, R Systems proactively addresses potential impacts through the continued implementation of our Human Right Policy. This commitment is aligned with our dedication to responsible business practices. To serve as the focal point for addressing any human rights impacts or issues arising from our business activities, the Head of the Human Resource Department in each respective location plays a pivotal role. This individual is dedicated to ensuring that human rights considerations are thoroughly integrated into our operations.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At R Systems, we have robust systems and mechanisms in place, woven in line with our commitment to resolution and justice. We've implemented a range of effective mechanisms like a Grievance Management System, an Internal Complaints Committee followed by Whistle-blower Policy to promptly address any issues raised within our organization.

#### 6. Number of Complaints on the following made by employees and workers:

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace*	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

\*There was one anonymous complaint raised on discrimination through whistle blower mechanism which was resolved within the reporting year

## Annexure 'F' to the Directors' Report

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Safety Incident/Number	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/ workers	-	-
Complaints on POSH upheld	-	-

### 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

R Systems has established a Whistle Blower Policy and a POSH (Prevention of Sexual Harassment) Policy to employees of the Company a secure platform to voice concerns regarding malpractice, impropriety, abuse, or deviant behaviour. These policies ensure that individuals can report issues at an early stage without fear of retaliation or discrimination. Necessary Confidentiality is rigorously maintained during Committee meetings, protecting the identity of the reporting individual to the fullest extent allowed by legal obligations. Various reporting platforms are available for employees, customers, suppliers, and other stakeholders to raise concerns or disclose any violations of the Company Code, policies, or laws, including human rights violations. All representations in the reporting avenues are thoroughly reviewed, and appropriate action is taken on substantiated violations within a specified timeframe.

### 9. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements form a part of R Systems' supplier and vendor business agreements and contracts as and where relevant. These aspects are covered under the Company's Human Rights Policy. Suppliers are obligated under contractual agreements to comply with Company's sustainability policies outlined in the website under the policies' section, thereby demonstrating their commitment to upholding human rights and ethical business practices.

### 10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	While R Systems does not currently assess its offices on these specific criteria, workforce is obligated under contractual agreements to comply with Companies policies, Employee Handbooks and Human Rights Policy. This policy prioritizes healthy working conditions and upholds a zero-tolerance stance towards human rights violations, ensuring no human rights violation across the locations the Company operates in.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

### 11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

Not applicable as no such incidents were reported during CY 2023. The Company is committed to ensuring full compliance with statutory regulations, particularly concerning minimum wages, and strictly prohibits the employment of child labour.

### Leadership Indicators

#### 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No significant changes to business processes have been made during the reporting period.

#### 2. Details of the scope and coverage of any Human rights due diligence conducted.

RSystems adopts a zero-tolerance approach to human rights violations and adheres to all government regulations, regulatory policies as well as global and local laws in the countries where the Company operates through its comprehensive policies and standards.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, R Systems ensures accessible infrastructure for all. Hence, the Company's infrastructure for employees also extend to the visitors to the Company's facilities. The Company strives to provide a multifaceted infrastructure by providing differently abled people with access to wheelchairs, ramp facilities, elevators to ensure ease in navigation within its premises.

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	At R Systems, our commitment to well-being extends to value chain partners. The Company has formulated a supplier code of conduct which serves as a guiding framework for suppliers when engaging with the Company and propelling them to implement procedures stringent environmental, Governance and social aspects in their operations.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others- please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

R Systems conducts regular internal assessments to address risks and promptly escalates any issues that may arise. The Company is committed to ensuring full compliance with statutory regulations, particularly concerning minimum wages, and strictly prohibits the employment of child labour.

**Principle 6:**

**Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

<b>Parameter</b>	<b>FY 2023 (Current Financial Year)</b>	<b>FY 2022 (Previous Financial Year)</b>
<b>From renewable sources</b>		
Total electricity consumption (A)	228.32 GJ	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	228.32 GJ	-
<b>From non-renewable sources</b>		
Total electricity consumption (D)	9,889.86 GJ	8,654.00 GJ
Total fuel consumption (E)	1,455.75 GJ	1,761.71 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	11,345.61 GJ	10,415.71 GJ
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>11,573.93 GJ</b>	<b>10,415.71 GJ</b>
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	12.80 GJ/Crores of Turnover	12.80 GJ/Crores of Turnover
Energy intensity per rupee of turnover (in crores) adjusted for Purchasing Power Parity (PPP)	3.48 GJ/ Crores of Turnover adjusted for Purchasing Power Parity (PPP)	3.60 GJ/ Crores of Turnover adjusted for Purchasing Power Parity (PPP)
Energy intensity in terms of physical output	1,928.99 GJ/ business vertical	1,735.95 GJ/ business vertical
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note:**

- The Company is engaged in IT and ITES industry, therefore, number of verticals have been taken as the physical output for computation of Energy intensity in terms of physical output.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.



## Annexure 'F' to the Directors' Report

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company is not covered under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	7,650.69 KL	6,783 KL
(iii) Third party water	60.25 KL	-
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater harvesting)	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,710.94 KL	6,783 KL
Total volume of water consumption (in kilolitres)	7,710.94 KL	6,783 KL
Water intensity per rupee of turnover (Total Water consumed / Revenue from operations) (L/Rs)	8.53 KL / Crores of Turnover	8.33 KL / Crores of Turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	2.32 KL / Crores of Turnover adjusted for Purchasing Power Parity (PPP)	2.34 KL / Crores of Turnover adjusted for Purchasing Power Parity (PPP)
Water intensity in terms of physical output	1,285.16 KL/ business vertical	1,130.5 KL/ business vertical
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note:**

- The Company is engaged in IT and ITES industry, therefore, number of verticals have been taken as the physical output for computation of water intensity in terms of physical output.
- Data Specific to India.
- The Company repurposes wastewater for gardening and washroom flushes in its Noida office and is in the process of monitoring the Water discharge in Company owned premises.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.

4. Provided the following details related to water discharged:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	-	-
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	-	-
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties	-	-
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	-	-
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	-	-

**Note:**

- The Company repurpose wastewater for gardening and washroom flushes in its Noida office and is in the process of monitoring the Water discharge in Company owned premises.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Presently, R Systems has not implemented a mechanism for ZLD in any of its facilities. However, at the Noida office, the wastewater from the RO is repurposed for gardening and is reused in washroom.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
NOx	kg/Annum	23.03	34.28
SOx	kg/Annum	13.25	19.74
Particulate Matter (PM)	kg/Annum	77.37	109.76
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others- please specify	-	NA	NA

**Note:**

1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.
2. Data is specific to Corporate Office of the Company.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format :**

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	656.93	535.86
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,919.27	1,911.88
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 Equivalent / Crores of Turnover	2.85	3.01
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 Equivalent / Crores of Turnover adjusted for Purchasing Power Parity (PPP)	0.78	0.85
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	Metric tonnes of CO2 Equivalent / Business vertical	429.37	407.96
Total Scope 1 and Scope 2 emissions intensity (optional) – the relevant metric may be selected by the entity		-	-

**Note:**

1. The Company is engaged in IT and ITES industry, therefore, number of verticals have been taken as the physical output for computation of Scope 1 and Scope 2 emission intensity in terms of physical output.
2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

R Systems is committed to protect our environment. As the Company is an IT/ITES company, there are no significant adverse impact as a result of our business activities. To support our commitment, we prioritize sustainability in our operations, striving for a positive impact on a global scale while taking measures that's contribute to green initiatives as mentioned below:.

1. Installation of LED lights & power saving equipment at all locations to reduce the electricity consumption.

## Annexure 'F' to the Directors' Report

2. The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localised areas.
3. Converted its Diesel generators to Dual fuel-based generators at one of the facilities.
4. Vehicles of the Company used for transportation are tested for emission, from time to time.

### 9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.20	0.33
E-waste (B)	0.55	7.91
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	4.68	1.87
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- <b>Used Oil (DG Black Oil)</b>	0.48	0.30
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) <b>(Iron, Paper, Cardboard, Aluminium, Wood etc.)</b>	3.64	4.49
Total (A+B + C + D + E + F + G + H)	9.54	14.90
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.01 MT/ Crores of Turnover	0.02 MT/ Crores of Turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.003 MT/ Crores of Turnover adjusted for Purchasing Power Parity (PPP)	0.005 MT/ Crores of Turnover adjusted for Purchasing Power Parity (PPP)
*Waste intensity in terms of physical output	1.59 MT/ business vertical	2.48 MT/ business vertical
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste (Category B, G, E)		
(i) Recycled	Waste sent to Recyclers / Composters through	
(ii) Re-used	authorized collectors.	
(iii) Other recovery operations		
<b>Total</b>		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	-	-
(i) Incineration	-	-
(ii) Landfilling	3.84 MT	-
(iii) Other disposal operations	-	-
<b>Total</b>	3.84 MT	-

#### Note:

1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is in the business of IT and IT enabled services and these services barely use any material hazardous or toxic chemicals in any of its processes. The commitment to environmental protection is underscored by R Systems' ISO 27001:2013 certified E-Waste management policy, addressing electronic waste produced by electrical and electronic equipment.

The Company repurposes waste water for gardening and washroom flushes in its Noida office. R Systems continuously improves waste management processes and operations, emphasizing the conservation of natural resources and efficient waste management practices. Disposal is carried out in accordance with authorized agencies, ensuring responsible recycling and management of E-waste and hazardous items.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	None of the Company's offices are in/around ecologically sensitive areas		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public Domain (Yes / No)	Relevant Web Link
The operations of the Company are not covered by the 2006 notification on Environmental Impact Assessment					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Yes, the Company abides by all relevant environmental laws, rules, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules.			

Yes, the Company abides by all relevant environmental laws, rules, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules.

## Annexure 'F' to the Directors' Report

### Leadership Indicators

#### 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

a. For each facility/ plant located in areas of water stress, provide the following information:

- (i) Name of the area: Noida
- (ii) Nature of operations: IT and IT enabled service
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	7,650.69	6,783
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<i>Total volume of water withdrawal (In kilolitres)</i>	7,650.69	6,783
Total volume of water consumption (In kilolitres)	7,650.69	6,783
Water intensity per rupee of turnover ( <i>Water consumed / turnover</i> )	8.46 KL/ Crore of revenue	8.33 KL/ Crore of revenue
Water intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

**Note:** The Company repurpose wastewater for gardening and washroom flushes in its Noida office and is in the process of monitoring the Water discharge in Company owned premises.

b. For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Chennai
- (ii) Nature of operations: IT and IT enabled service
- (iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater (Noida)	-	-
(iii) Third party water (Chennai)	11.05	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<i>Total volume of water withdrawal (In kilolitres)</i>	11.05	-
Total volume of water consumption (In kilolitres)	11.05	-
Water intensity per rupee of turnover ( <i>Water consumed / turnover</i> )	0.01 KL/ Crore of revenue	-
Water intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

**Note:**

1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	4,558.66	-
Total Scope 3 emissions per rupee of turnover	tCO <sub>2</sub> e/Crore of turnover	5.04 tCO <sub>2</sub> e/Crore of turnover	-
Total Scope 3 emission intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-	-

**Note:**

1. The Company started tracking Scope 3 from FY 2023. Categories included in Scope 3 emissions computations: - 1: Purchased Goods and Services, 2: Capital Goods, 3: Fuel and Energy related activities, 5: Waste Generated, 6: Business Travel, 7: Employee Commute.
2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, the independent assessment has been carried out by Sustainability Actions (P) Ltd.

## Annexure 'F' to the Directors' Report

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of initiative (Savings in Rs. Million)
1	Usage of LED Lights	Installation of LED lights & power saving equipment	We are in the process of tracking the outcome of these initiatives.
2	Usage of energy efficient measures	The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localized areas.	
3	Usage of gas-based generators	Converted its Diesel generators to Dual Fuel based generators at one of the Company owned premises.	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, business continuity plan and policy are in place.

R Systems has adopted industry-standard security precautions such as verifying that there is no information leakage through test procedures, carrying out background checks and verifications, creating and maintaining data backups, and maintaining an adequate disaster recovery plan. We are proactively initiating business continuity practices to minimize the system failures and interruptions to business.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As the Company is an IT/ITES company, there are no significant adverse impact as a result of our business activities except the energy consumption, E-waste generation. R System requires its suppliers to a Supplier's Code of Conduct which covers the environmental, health, and safety norms that the supplier should follow.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Presently, we are not assessing the value chain partners for environmental impacts. Going forward, we are planning to initiate this environmental impact assessment for our suppliers.

### Principle 7:

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ association

The Company is affiliated with 2 trade and industry chambers/associations.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	National Association of Software and Service Companies (NASSCOM)	National
2	Export Promotion COUNCIL for EOUs & SEZ	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
--------	-------------------------	-----------------------------------	--	---	------------------------

The Company does not engage in advocacy for or against any policies. However, our active participation in trade and industry associations enables us to stay informed about industry developments, contribute to policy discussions, and foster collaboration within the business community

### Principle 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
--------	--	-------	----------	---	--------------------------	---

Not applicable, the operations of the company have not displaced any population or their livelihoods. Hence, no Rehabilitation and Resettlement activities done.

3. Describe the mechanisms to receive and redress grievances of the community.

The objective of Corporate Social Responsibility (CSR) Policy at R Systems is to support our constant endeavour to bring about positive difference to communities where we exist. The team relates to the ground level realities of our inclusion projects, with a direct involvement of our Senior Management, and we constantly assess, monitor and capture feedback both in formal and informal ways. This provides ample opportunity to receive and redress grievances of the intended beneficiaries. R Systems and its implementation partners hold periodic meetings with the community to assess project performance and address any grievances that may have arisen. In addition, we encourage community members to voice any concerns they may have and foster an atmosphere of openness and accountability.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

We strive to uphold a strong and healthy relationship with all our service providers, vendors and other suppliers by procuring goods and services from local supply chain partners which includes mid-size and small-scale industries who meets our quality, delivery, cost and technology expectations.

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	6.83%	9.95%
Sourced directly from within India*	68.72%	73.96%

\*Including MSME vendors.



## Annexure 'F' to the Directors' Report

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost

Location	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Rural	Nil	Nil
Semi-urban	Nil	Nil
Urban	Nil	Nil
Metropolitan	100%	100%

(Place categorized as per RBI Classification System – rural/ semi-urban/ urban/ metropolitan)

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)::

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
None			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No, R systems does not have a preferential procurement policy.

- (b) From which marginalised / vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved..

S. No.	Name of authority	Brief of the Case	Corrective action taken
Not applicable			

## 6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Prakash Padukone Badminton Academy	4	-
2	Indian Institute of Technology, Delhi	Refer Note 1	Refer Note 1
3	IIM Nagpur	64 (approx.)	-
4	Army Public School	11	100 %
5	PARAS India- Silai School	51	100%, This includes direct and indirect beneficiaries.
6	Green Yatra Foundation	Refer Note 2	Refer Note 2
7	Missionary of Charity	30(approx.)	100 %

### Note:

- R Systems has setup a Center of Excellence (CoE) on Applied AI for Sustainable Systems at IIT Delhi, which will include a cutting-edge research lab, the creation of an endowed faculty chair position, and the initiation of merit-based student scholarships. This initiative will facilitate the industry-academia partnership aimed at bridging the gap between theoretical research and practical application of AI solutions.
- In association with Green Yatra, the Company has planted 500 saplings which will help in sequestering carbon dioxide from the atmosphere and improving soil quality. This urban plantation will also provide the local communities with a green space and raise environmental awareness.

### Principle 9:

**Businesses should engage with and provide value to their consumers in a responsible manner.**

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

At R Systems, customer satisfaction stands as the cornerstone of our ethos. We prioritize and address grievances through dedicated account and client engagement managers, adhering to predefined escalation mechanisms in client contracts.

Continuous customer feedback, sought through various channels such as email, phone, and visits, allow us to proactively identify and address concerns while gauging future needs. Customer Satisfaction Surveys held annually, provide structured insights for refining our deliverables and services.

Our website's 'Contact Us' section facilitates open communication, enabling clients to share feedback and requests. After receiving the complaint or feedback, we promptly implement corrective measures, underscoring our unwavering dedication to customer satisfaction and continuous improvement.

At R Systems, we prioritize customer satisfaction through annual surveys covering five key areas: Quality of Services, Meeting Delivery Timelines, Communication Effectiveness, Technical Competency, and Handling Complaints. Additionally, we welcome qualitative feedback on impressive aspects and improvement areas. This structured approach guides our continuous improvement efforts, ensuring we exceed client expectations consistently.

#### 2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

CSR Project	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not tracked, as it is not relevant to the nature of our business operations and the services we offer.
Safe and responsible usage	
Recycling and/or safe disposal	

## Annexure 'F' to the Directors' Report

### 3. Number of consumer complaints in respect of the following

	FY 2023			FY 2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	NA	-	-	NA
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services	-	-		-	-	
Restrictive Trade practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Others	-	-		-	-	

### 4. Details of instances of product recalls on account of safety issues::

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable, due to the nature of operations the Company

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, R Systems places paramount importance on information security and privacy, with stringent safeguards in place for both internal and client data. Our commitment is reflected in our Information Security Management Systems (ISMS) aligned with ISO 27001:2013 standards, supplemented by certifications/compliance such as ISO 27001:2013, HIPAA etc.

Our comprehensive data privacy policy, (accessible at <https://www.rsystems.com/privacy/>) underscores our dedication to protecting personal and confidential data. Embracing multi-level security measures, we ensure IT compliance and proactively address business continuity to minimize disruptions. Our Privacy Policy aims at maintaining the confidentiality, integrity, and availability of sensitive information with seamless service delivery and minimal disruptions.

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services..

Not applicable, as there were no instances recorded during FY 2023 relating to advertising, and delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls.

### 7. Provide the following information relating to data breaches:

#### a. Number of instances of data breaches along-with impact

Nil

#### b. Percentage of data breaches involving personally identifiable information of customers

Nil

#### c. Impact, if any, of the data breaches

Not Applicable

## Leadership Indicators

### 1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

R Systems stands as a premier digital product engineering company specializing in the design and development of chip-to-cloud software products, platforms, and digital experiences tailored to our clients' needs. Leveraging our proficiency in automation and integration, including RPA and No-Code-Low-Code platforms, we assist enterprises across diverse verticals in realizing their OKRs. Our commitment extends to aiding them in digitizing entire value chains and implementing intelligent automation. R Systems website hosts all our services and offerings at [www.rsystems.com](http://www.rsystems.com).

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Not applicable to the nature of our business.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

R Systems has implemented a robust business continuity framework to mitigate potential disruptions or discontinuation of essential services. Our commitment to safeguarding operations includes industry-standard security measures, such as thorough test procedures to prevent information leakage, adequate redundancy for infrastructures, comprehensive background checks and verifications, regular data backups, and resilient incident response plan, disaster recovery plan, business continuity plan. These measures collectively ensure that mechanisms are in place to promptly inform consumers of any risks related to the continuity of essential services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Product information display on the product is not applicable to the nature of our business.

R Systems is dedicated to ensuring customer satisfaction by conducting annual surveys specifically focused on the services we provide. These surveys meticulously assess key performance indicators, encompassing service quality, timely delivery, effective communication, technical proficiency, and adept handling of feedback and complaints. This proactive approach enables us to consistently refine and optimize our service offerings to meet and exceed client expectations.

**On behalf of the Board**

For **R SYSTEMS INTERNATIONAL LIMITED**

**Ruchica Gupta**

(DIN: 06912329)  
(Chairperson & Non-Executive  
Independent Director)

Place : Delhi

Date : May 02, 2024

**Nitesh Bansal**

(DIN: 10170738)  
(Managing Director & Chief Executive Officer)

Place : Frisco Tx, USA

Date : May 02, 2024

## Annexure 'G' to the Directors' Report

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> DECEMBER, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members of  
**R SYSTEMS INTERNATIONAL LIMITED**  
(CIN: L74899DL1993PLC053579)  
GF-1-A, 6, Devika Tower, Nehru Place,  
New Delhi - 110019

We have conducted the secretarial audit of compliance of applicable statutory provisions and adherence to good corporate practices by **R SYSTEMS INTERNATIONAL LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

#### We report that:

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) 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.

Based on our 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,

we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> December, 2023 ('Audit Period') 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
  - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

- (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
- (vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry are:
  - (a) The Information Technology Act, 2000 and Rules made thereunder;
  - (b) Policy relating to Software Technology Parks of India and its regulations;
  - (c) Foreign Trade Policy as formulated under the Foreign Trade (Development and Regulation) Act, 1992 and Rules made thereunder;
  - (d) The Special Economic Zones Act, 2005 and Rules made thereunder.

We have also examined compliance with the applicable clauses of:

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations).

**During the Audit Period**, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, except *non-compliance with the constitution of Nomination, Remuneration and Compensation Committee during the period from May 30, 2023 till August 07, 2023 under Regulation 19(2) of SEBI LODR Regulations which requires that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee. The National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") levied penalty of ₹ 140,000/- each for the non-compliance during the period from May 30, 2023 till August 07, 2023.* The Company had rectified the said non-compliance w.e.f. August 08, 2023 and paid the penalty as levied by Stock Exchanges.

We have checked the Compliance Management System of the Company to obtain reasonable assurance about

the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the Compliance Management System of the Company seems adequate to ensure compliance of above mentioned specific laws applicable to the Company.

**We 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 including the Woman Director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except meetings convened at a shorter notice) 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 meetings.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee(s) of the Board, as the case may be.

**We 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 laws, rules, regulations and guidelines.

**We further report that** during the audit period:

- Pursuant to the Share Purchase Agreement dated November 16, 2022, as amended on March 21, 2023 ("Share Purchase Agreement"), BCP Asia II Topco II Pte. Ltd., a company incorporated under the laws of Singapore and having its registered office at 77, Robinson Road, #13-00, Robinson 77, Singapore-068896 (the Acquirer) acquired 6,11,29,969 Equity Shares, representing 51.67% of the paid up Share Capital of the Company from (i) Dr. Satinder Singh Rekhi, (ii) Mrs. Harpreet Rekhi, (iii) The Satinder and Harpreet Rekhi Family Trust, (iv) Mr. Sartaj Singh Rekhi, (v) Mr. Ramneet Singh Rekhi, (vi) Mr. Jagmohan Singh Walia, (vii) Mrs. Amrita Rekhi, (viii) Mrs. Kuldeep Baldev Singh and (ix) Mrs. Anita Behl ("Sellers"). In addition, the Acquirer also offered to acquire 5,71,73,476 equity shares of the Company from the public shareholders representing 48.33 % of the voting share capital of the Company under

## Annexure 'G' to the Directors' Report

the Composite Offer i.e. Open Offer cum Delisting Offer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, however, the delisting offer was unsuccessful as the public shareholders only offered 3,03,036 equity shares representing 0.26% of the voting share capital of the Company.

Pursuant to aforesaid acquisition of 6,14,33,005 equity shares of the Company representing 51.93% of the voting share capital of the Company, the Acquirer became the Promoter of the Company and Sellers ceased to be the Promoter/ Promoter Group of the Company. Further, National Stock Exchange of India Limited and BSE Limited have approved the reclassification of Sellers from promoters to public category under regulation 31A (10) of SEBI LODR Regulations vide approval dated November 01, 2023.

- Pursuant to Share Purchase Agreement ("SPA") dated June 7, 2023 entered into between the Company, Velotio Technologies Private Limited ("Velotio") and the previous shareholders of Velotio, the Company completed the acquisition of 100% equity shares of Velotio on July 3, 2023.

- In compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the shareholders of the Company have approved the Management Incentive Plan-2023 ("Plan") on November 15, 2023 to grant a maximum of 80,00,000 (Eight Million) Options and/ or Restrictive Stock Units ("RSUs") to the eligible employees of the Company and/or the Group Companies (including subsidiaries and associate companies) which on exercise would entitle not more than 80,00,000 (eight million) equity shares of face value of ₹ 1/- (Rupee One only) each of the Company, implying up to 6.3% (six point three percent) of the diluted equity share capital, subject to any adjustment as may be required due to any corporate action or change in control of the Company.

For **DPV & Associates LLP**

**Company Secretaries**

Firm Reg. No.: L2021DE009500  
Peer Review Certificate No. 2792/2022

**Devesh Kumar Vasisht**

Managing Partner

Date: February 15, 2024  
Place: New Delhi

CP No.:13700 / Mem. No. F8488  
UDIN: F008488P003433503

# Annexure 'H' to the Directors Report

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for 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 transactions under third proviso thereto:

### 1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Nil								

### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Nil						

**Note:**

- The aforesaid disclosure is based on the materiality threshold defined in Policy for related party transactions.
- For details of other related party transaction, please refer note No. 35 of the Standalone financial statements.

**On behalf of the Board**

For **R SYSTEMS INTERNATIONAL LIMITED**

**Ruchica Gupta**

(DIN: 06912329)  
(Chairperson & Non-Executive  
Independent Director)

**Nitesh Bansal**

(DIN: 10170738)  
(Managing Director & Chief Executive Officer)

Place : Delhi  
Date : May 02, 2024

Place : Frisco Tx, USA  
Date : May 02, 2024



## Annexure 'I' to the Directors Report

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

### 1. A brief outline of the Company's CSR policy

To support and endeavor to bring about positive difference to communities where we exist. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build R Systems International Limited into an organization which maximizes Stakeholders Value. The Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers and other stakeholders.

### 2. Composition of the CSR Committee (As on December 31, 2023)

Sl. 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. Amit Dalmia	(Non-Executive Director)- Chairman	0*	0*
2	Mr. Animesh Agrawal	(Non-Executive Director)- Member	0*	0*
3	Mr. Kapil Dhameja	(Non-Executive Independent Director) -Member	1	1

\*The Committee was re-constituted during the year on account of cessation of Lt. Gen. Baldev Singh (Retd.) and Mrs. Ruchica Gupta as members of the Committee w.e.f. May 10, 2023 and appointment of Mr. Amit Dalmia and Mr. Animesh Agrawal as Member w.e.f. May 10, 2023. No meeting of the CSR Committee was held since their appointment as Chairman/member of the Committee.

### 3. The web-link where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.rsystems.com/investors-info>

### 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 for the financial year ended on December 31, 2023.

5(a)	Average net profit of the company as per sub-section (5) of section 135.	₹ 1,163,365,927/-
5(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135.	₹ 23,267,319/-
5(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
5(d)	Amount required to be set off for the financial year, if any	Nil
5(e)	Total CSR obligation for the financial year (5b+5c-5d).	₹ 23,267,319/-
6(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	₹ 23,267,319/-
6(b)	Amount spent in Administrative Overheads.	Nil
6(c)	Amount spent on Impact Assessment, if applicable.	Nil
6(d)	Total amount spent for the Financial Year [6(a)+6(b)+6(c)]	₹ 23,267,319/-
6(e)	CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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
23,267,319/-		Nil		Nil	

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

S. No.	Particulars	Amount in ₹
1	Two percent of average net profit of the Company as per Section 135(5)	₹ 23,267,319/-
2	Total amount spent for the financial year	₹ 23,267,319/-
3	Excess amount spent for the financial year [(2)-(1)]	Nil
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(3)-(4)]	Nil

7 Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: <span style="float: right;">Amount in ₹</span>								
S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of transfer		
1	December 31, 2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	December 31, 2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	December 31, 2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes ( ) No (✓)**  
If yes, enter the number of capital assets created/acquired: **Not Applicable**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

**9 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).** Not Applicable

**Mr. Nitesh Bansal**

(Managing Director & Chief Executive Officer)  
(DIN: 10170738)

Place : Frisco Tx, USA

Date : May 02, 2024

**Mr. Amit Dalmia**

(Non-Executive Director & Chairman of CSR Committee)  
(DIN: 05313886)

Place : Mumbai

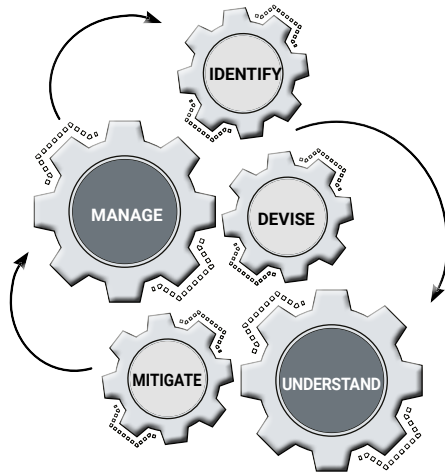
Date : May 02, 2024

# Risk Management Report

The Management cautions readers that the risks outlined in this report are not exhaustive, are for information purposes only and may contain forward looking statements, the results of which may differ materially from those reflected. Investors and readers are requested to exercise their own judgment in assessing various risks associated with the Company.

## OVERVIEW

Risk Management is a dynamic process which should constantly be able to identify all the emerging risks and propose solutions to manage them. The risk perception also constantly varies depending on the size of the business, business segment, location, scale of business. The essence of risk management strategy at R Systems lies in maximising areas of control over outcome and minimising areas where the Company has no control over outcome. R Systems recognizes that business conditions are constantly changing, evolving, and entering into cycles. Following is the model adopted by the Company for managing risk:



## ENTERPRISE RISK MANAGEMENT STRUCTURE

Risk management is an integral part of the charter of the Board of Directors at R Systems. The Board is responsible for monitoring risk levels on various parameters and to suggest measures to address the same. The day to day management of the risk is entrusted to the management team of R Systems. Based on the philosophy of "No risks, No rewards", our management continuously keeps monitoring the level of our existence on the path of growth and within R Systems management structure, certain personnel are designated with responsibility of managing risks including ensuring compliance with laws, rules and regulations with the assistance of both internal and external resources. Further, formal reporting, escalation of risk events and control mechanisms ensure timely communication, response and proactive management of the risks.

## RISK MANAGEMENT AT R SYSTEMS

### 1. Customer Concentration

R Systems revenues are dependent to a considerable extent upon relationships with a limited number of customers

and retaining those customers. The percentage of total consolidated revenues during fiscal year 2023 and 2022 that R Systems derived from contracts with its top line customers is as follow:

Customer	Year Ended	
	December 31, 2023	December 31, 2022
Top 10	23.70%	22.81%
Top 5	16.87%	15.25%
Top 3	12.73%	11.59%
The Largest Customer	6.55%	6.66%

Concentration of revenues from a limited number of customers deepens our relationship with those customers but at the same time imposes a risk of dependence. Customer's vendor management strategies and business risks radiate on to R Systems through fluctuations in utilization, pricing for services and service level demands. All these factors could potentially impact revenues and profitability of R Systems.

**INITIATIVES:** The business model and strategy followed by R Systems involves serving the customers in a manner that they get measurable tangible benefits. When customers see value in the services/solutions that R Systems provides, we believe that customer's relationship can be nurtured into the long term. Further, with our proactive strategy of adding new customers, we attempt to reduce our dependency on a smaller number of customer relationships.

### 2. Geographical Concentration

R Systems has traditionally derived most of its revenues from the North America, given the technology focus and specialized outsourced product development services offered by it. The geographic break-up of the revenue is given below:

Revenues by Geographies	Year Ended	
	December 31, 2023	December 31, 2022
North America	73.99%	74.20%
Europe	10.05%	10.39%
SEAC	12.78%	12.54%
India	1.88%	1.88%
Others	1.30%	0.99%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**INITIATIVES:** In order to mitigate the risk of geographical concentration, R Systems has stepped up its business activities in other geographic areas like Europe, South East Asia etc.

### 3. Risks Associated with Fixed Price Contracts

Under our product engineering and digital offerings most of our assignments are on the basis of time and material task orders, some proportion of the services provided by us is in the nature of fixed bid assignments. Under fixed bid assignments, in the event of cost overruns, our profitability will be adversely affected.

**INITIATIVES:** We have our internal processes to ensure accuracy in the estimation of the time required to execute fixed price projects, and processes to implement and monitor the progress of such projects. Further, the experience gained from such projects is also used for new projects. However, given the very nature of the fixed price projects, cost overruns and delayed deliveries cannot be ruled out.

#### 4. Competition

The IT & ITES sector is a highly competitive sector. Our competitors include IT outsourcing firms in India as well as in other countries, national and multinational consulting and technology firms, Indian IT services firms, software firms and in-house IT departments of large companies. The competition in the IT industry is very intense and our competitors are aggressive in winning new business and customers that may drive a harder bargain.

**INITIATIVES:** We believe that R Systems is well positioned and enjoys following competitive advantages:

- Experience in providing end-to-end solutions and services to customers;
- Unique and proprietary & with best practices, tools and methodologies for flawless execution;
- Investment in processes, talent and methodologies;
- Strong customer franchise consisting of large and mid-sized corporations;
- Strong financial position;
- Proven global delivery model;
- Our vertical focus for services and solutions;
- Industry best human resource practices to attract, develop, deploy and retain talent.

#### 5. Disaster Prevention and Recovery

The IT industry is very sensitive to security risk and a real or perceived threat of a risk to the security and integrity of information available to us may adversely affect customer perception, give rise to litigation and reduce our customer base, thereby negatively affecting R Systems revenues and profit margins. The contracts entered into by R Systems typically hold us solely responsible for maintaining satisfactory standards of personnel competency, conduct and integrity and for taking required disciplinary action.

R Systems may be vulnerable to risks due to natural or manmade calamities / disasters which may impact business operations, inflicting heavy economic losses and risk to employee safety.

**INITIATIVES:** R Systems has adopted industry-standard security precautions such as ensuring that our employees and strategic partners enter into non-disclosure and confidentiality agreements with us, verifying that there is

no information leakage through test procedures, carrying out background checks and verifications, creating and maintaining data backups, and maintaining an adequate disaster recovery plan. R Systems makes continual investments in organisation behaviour and management processes to ensure that these certified industry standards are continually adhered to.

During the year 2023, Noida IT as well as Knowledge Services Division were undergone surveillance audits for ISO 9001 and ISO 27001. As of the date of this report, Noida IT division and Knowledge Services (KS) Division are PCMM Level 5, ISO 9001:2015, ISO 27001:2013 certified and HIPAA compliant. Apart from this, KS division is also PCI-DSS (ver.3.2.1) certified (for IT Infrastructure along with the projects/ process/ applications in scope).

The continuing compliance with these standards demonstrates the rigor of R Systems processes and differentiates us to keep our competitive edge in service and product offerings.

Further, our distributed offshore and near shore infrastructure is seamlessly connected through a strong infrastructure design and appropriate bandwidth that provides us the capability to initiate and maintain uninterrupted support across the world.

Infrastructure redundancy, intra / inter-city recovery sites, work-from-home, onsite and split-site operations. Further, our distributed offshore and near shore infrastructure is seamlessly connected through a strong infrastructure design and appropriate bandwidth, work from home facility for employees that provides us the capability to initiate and maintain uninterrupted support across the world. Although the Company cannot avoid such risk that could impact the entire Industry, the Company has taken appropriate insurance cover for hazard events.

#### 6. Talent Acquisition & Retention

The IT and BPO sector is highly competitive in terms of hiring strategy and incentives. R Systems is highly dependent on its employees at various levels of the organisation to provide leadership, manage the business, to provide services and execute complex projects for the clients. These skilled professionals are in high demand by other organisations and if R Systems is unable to attract and retain the skilled people, it will affect R Systems ability to grow and provide services to its customers.

**INITIATIVES:** At R Systems, we follow industry best human resource practices such as PCMM level 5 to attract, develop, deploy and retain talent. The Company is committed to develop and innovate such programmes that motivates them and develop their potential and also inculcate leadership attributes of the employees, which helps us to retain the best talent in the industry.

## Risk Management Report

### 7. Key Managerial Role & Succession Planning

Succession planning is one of the most critical functions of an organization. This is the process that identifies the critical and core roles of an organization and identifies and assesses the suitable candidates for the same. The process ramps up potential candidates with appropriate skills and experiences in an effort to train them to handle future responsibilities in their respective roles. Succession planning is applicable for all critical roles in any organization. The upper management of each practice or department is responsible for coming up with a suitable succession plan for each core position under his or her department.

**INITIATIVES:** R Systems being a CMMI Level 5 (Ver. 1.3) and PCMM Level 5 company has put in practice a well-documented and defined policy on Succession Planning. This applies to all key roles in the organization as agreed upon by the Senior Management. Mission critical and key roles include Chief Executive Officer, Senior Management Team comprising of VPs and other roles critical to business operations continuity. Succession planning at R Systems occurs at least on an annual basis during annual performance appraisal cycle.

Further, R Systems has extensive recruitment teams in the markets that operate to continuously recruit skilled personnel at various levels in the organisation. In addition, R Systems conducts a rigorous training program at the entry level to train new professionals and develop next generation of managers and leaders. R Systems deploys modern HR practices by offering competitive compensation and benefit packages and exciting work environment to attract and retain talent. Further, R Systems tries to mitigate the impact of attrition in the continuity of services to the clients by using its proprietary processes and methodologies that allows the project teams to seamlessly share knowledge and collaborate on projects.

### 8. Technological Obsolescence

The IT and ITES sector is characterised by technological changes at a rapid rate, evolution of existing products and introduction of new products. R Systems makes investments in R&D with a view to keep pace with the latest developments in the technology space. Further, R Systems regularly hires, trains and nurtures domain and market specialists and continuously evaluates increasing the portfolio of technology alliances and partnerships to enrich our product and service mix. However, this risk cannot be fully mitigated despite the proactive investments made by R Systems.

**INITIATIVES:** We continuously enhance our competencies around latest technologies to deliver state of art Product and Solution for our customers.

### 9. Acquisitions

R Systems' growth strategy involves future strategic acquisitions, partnerships and exploration of mutual interests with other parties. These future acquisitions may not contribute to our profitability, and we may be required

to incur or assume debt, or assume contingent liabilities, as part of any acquisition. We could have difficulty in assimilating the personnel, operations, software assets and technology of the acquired company. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

**INITIATIVES:** R Systems will remain sharply focused on those acquisitions and partnerships that add to the competitive strengths of our business. Specific transactions are evaluated in detail with experienced internal personnel and external advisors, wherever relevant, before consummating any transaction. Deal teams conduct technical, operational, marketing due diligence and build detailed financial model to evaluate the risks and benefits of any transaction. Further, contractual agreements are negotiated with the advice of legal counsel to protect Company's interests.

### 10. Credit Risk

As a matter of business practice, the payment collection process may extend over a period of time. Customers budgeting constraints can impact their ability to make the required payments. In addition, the creditworthiness of our clients may deteriorate and we can be adversely affected by bankruptcies or other business failures of our customers.

**INITIATIVES:** R Systems' credit terms are standard and there is rigorous process in following up with customers for payments as and when the invoices fall due for payment. The Company has suitably streamlined its processes to develop a more focused and aggressive receivables management systems to ensure timely collections as a result of the global liquidity crunch.

### 11. Foreign Currency Rate Fluctuations

Managing an equilibrium state in the light of the unfavourable movements in exchange rates involved in earnings and expenditure in foreign currency continues to be one of the challenges when exposed to global markets. A significantly large percentage of R Systems consolidated revenues are either foreign currency denominated or derived from export earnings. Whereas a major portion of the R Systems expenses in India are incurred in Indian Rupees. As a result, operating profits will be highly impacted by foreign currency rate fluctuations. While depreciation of the Indian Rupee would have a favourable bottom-line impact, an appreciation would affect R Systems profitability adversely.

**INITIATIVES:** R Systems cannot directly influence exchange rates, it is incumbent upon management to follow a well thought out policy to hedge the risk associated with foreign currency without taking speculative positions. R Systems attempts to minimize currency fluctuation risks on export earnings by taking forward covers on Rupee - USD/EURO exchange rate based on anticipated revenues and debtors at periodic intervals. R Systems has laid down appropriate policies and processes for the use of financial derivative instruments consistent with its risk management strategy. The Company does not use the foreign exchange forward contracts for trading or speculation purposes.

## 12. Inflation and Cost Structure

R Systems' cost structure consists of salary and other compensation expenses, overseas travel, and other general selling and administrative costs. Rapid economic development in India and increasing demand for global delivery may have a significant impact on these costs and the rate of inflation as relevant to the IT & ITES services industry. This is compounded by the fact that overseas competitors may treat their India strategy as a cost centre and develop the same regardless of the cost incurred and its impact on their profitability.

**INITIATIVES:** R Systems' major costs are salary and benefit cost that it incurs on employees. These costs may have a tendency to escalate faster than the rate of inflation because of the demand for skilled and experienced professionals. R Systems attempts to mitigate the risks associated with wage inflation by obtaining increased price from clients, increasing bench mark prices for new business, enhancing productivity, increasing utilisation and inducting fresh graduates and training them. Further, R Systems has implemented robust processes and information systems to enable personnel to make the right decisions for revenue realisation and cost optimisation to minimise the risks of changes in salary cost structure.

## 13. Intellectual Property Rights

As a part of R Systems' business, there are risks associated with intellectual property of the Company, intellectual

property of R Systems' customers who may be end users or even the intellectual property of the end user.

**INITIATIVES:** R Systems' information security arrangements are managed under international standard ISO 27001 : 2013 series and are being audited by both internal and experts from third parties assessors who periodically audit and certify R Systems compliance.

We have registered the following marks and their corresponding words as R Systems' trademarks:







PSuite Framework



PRODUCTS FOREMOST



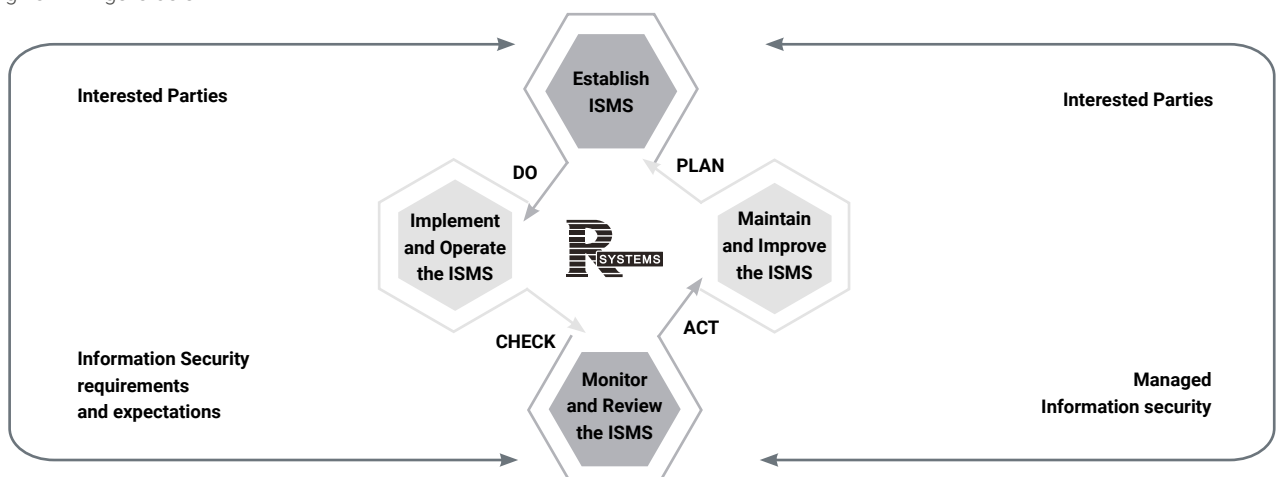
IPLM

The Company has registered the word "R SYSTEMS" and logo  and  under relevant classes with the Registrar in India. The Company has also registered the Word Mark "RSYSTEMS" in USA and Logo  in USA and Europe. Further, Velotio Technologies Private Limited, subsidiary of the Company has registered the logo  under relevant class with the Registrar in India.

## 14. Information Security Management

R Systems being an IT and Software service provider company focusses on maintaining the confidentiality, integrity and availability of business data and information to the exclusive but optimum use for the accomplishment of organizational objective. The task of maintaining the confidentiality of business data and information not only faces threat from outside the organization but also within the organization where the business data and information are put to use.

**INITIATIVES:** For ensuring the effectiveness of Information security, it is important that information security can be effective only if it is addressed at people, process and technology levels and is integrated in the way an organization operates. R Systems has established, documented and implemented Information Security Management Systems (ISMS) and shall continually improve its effectiveness in accordance with requirements of ISO 27001:2013, SOC2 Type 2 and HIPAA. The approach applied to the ISMS is given in Figure below:



## Risk Management Report

R Systems security policy provides a framework for protecting confidentiality, integrity and ensuring availability of organization's Information assets to the authorized persons. This is to safeguard the interest of customer, business continuity and continual improvement of ISMS at R Systems. The security policy of R Systems has been designed to safeguard the risk associated with information security management.

### 15. Contractual Risk

The primary contractual risks that R Systems faces pertain to obligations of R Systems to provide services with full adherence to contracted terms of quality, time deadlines, output per hour, protection of confidential information, protection of intellectual property rights, patents and copyrights. R Systems has a rigorous process to evaluate the legal risks involved in a contract, ascertains its legal responsibilities under the applicable law of the contract and tries to restrict its liabilities to the maximum extent possible.

**INITIATIVES:** R Systems attempts to protect itself with "no consequential losses" and "maximum liability" clauses. R Systems also ensures that risks are protected through various insurances like professional liability, workers compensation, directors' and officers' liability, cyber & crime insurance. The Company's past record in this regard has been good and there has been no significant damages awarded against the Company that has resulted in material adverse impact on our financial position.

R Systems also has an escalation process to immediately involve senior management personnel in case R Systems customers or contractors make any assertion of breach of contract.

R Systems has employed professionals with adequate legal expertise who plays handy role in finalizing the various terms under written contracts on behalf of the Company. The experience gained from past contracts and transaction entered into by the Company are also analysed and implemented for the new contracts envisaged by the Company. As a matter of practice depending upon the criticality of the transactions, contractual agreements are well discussed within the organization in coordination with technical team as well legal professionals and are also negotiated with the advice of legal counsel to protect Company's interests.

### 16. Execution Risk

R Systems clients are Tech and Independent Software Vendors and companies from Healthcare, Manufacturing and Logistics, Telecom, Media, and Entertainment, Banking and Financial Services and Retail and Hospitality Sectors. These clients need high quality and timely delivery of services with very stringent services level agreements. Any failure in delivery, quality, meeting service level bench agreements, product features and functionalities could adversely affect R Systems relationship with its clients, which could potentially impact R Systems revenues and profitability.

**INITIATIVES:** R Systems has continuously invested in processes, people, training, information systems, quality standards, frameworks, tools and methodologies to mitigate the risks associated with execution of projects. Adoption of quality models and practices such as ISO and Capability Maturity Model (CMM) have ensured that risks are identified and mitigated at various levels in the planning and execution process. Further, senior management personnel, project managers and process leaders are entrusted with the responsibility to meet the project and service level expectations on various engagements. Planned intervention and escalation systems are further deployed to minimise risks.

### 17. Directors' and Officers' Liability Risks

The directors and officers of R Systems are required to take material decisions in the best interest of the Company. Such decisions might result in errors and omissions and R Systems might be sued by the other counterpart.

**INITIATIVES:** To mitigate this risk, the directors and officers take legal and expert advice when required and have taken various insurance policies outlined earlier including professional liability and directors' and officers' liability insurance. The Company attempts to limit its contractual liability for damages arising from negligent acts, errors, mistakes or omissions by directors and officers in rendering services, there can be no assurance that the limitations of liability set forth in its service contracts will be enforceable in all instances or will otherwise protect the Company from liability for damages. Though the Company maintains general liability insurance coverage, including coverage for errors or omissions, going forward, there can be no assurance that such coverage will be available on reasonable terms and in sufficient amount to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. The successful assertion of one or more large claims against the Company could adversely affect the Company's results of operations and financial condition.

### 18. Visa Regulations / Restrictions

Several overseas employees of R Systems are Indian nationals. The ability of R Systems to render its services in the US, Europe and other countries depends on the ability to obtain visas and work permits. Immigration to US, Europe and other countries are subject to legislative changes as well as variations in standards of application and enforcement due to political forces and economic conditions for example, any major change in immigration policy of USA may put the challenge to Indian IT Companies. It is difficult to predict the political and economic events that could affect immigrations laws or the restrictive impact they could have on obtaining or monitoring work visas. The reliance on visas makes R Systems vulnerable to such changes and variations as it affects the ability of the Company to staff projects with employees who are not citizens of the country where the work is to be performed. As a result, R Systems may not

be able to get a sufficient number of visas for employees or may encounter delays or additional costs all of which may affect profitability.

**INITIATIVES:** R Systems monitors the status of visa availability and requirements on a regular basis in consultation with external legal counsel. In house legal personnel are entrusted with the responsibility for compliance with the immigrations laws which is validated by periodic independent audit. R Systems may expand its business in other geographies to de-risk from US business meanwhile it may boost US hiring. R Systems may look forward to change its business models so that it can deliver from different locations globally through innovation.

### 19. Environmental, Social and Governance (ESG) Risks

ESG Risks are those concerns arising from Environmental, Social and Governance factors that are likely to affect the financial situation or operating performance of a company.

The environmental aspect focuses on how the business minimises its impact on the environment. The social aspect focuses on how a business impacts wider society and workplace culture. Governance refers to business's ethical behaviour and its transparency with stakeholders about its activities.

These factors have a significant impact on a Company's long-term sustainability, profitability and reputation of the Company.

**INITIATIVES:** The Company is cautious of the impact of its operation on the environment and society as well. The Company is diligently integrating good environmental, social and governance practices into its policies and operations.

Though your Company does not have energy intensive operation, every possible endeavour has been made for optimal usage of energy and resources.

The Company promotes a safe and healthy working environment, ensuring equal opportunities, respects human rights and fair treatment for all employees. The Company also expects all its employees, consultants, independent contractors and suppliers to observe these practices. As a responsible Corporate Citizen, the Company engages with the Community through its Corporate Social Responsibility initiatives.

The Company ensures a transparent and effective communication with its stakeholders, fostering a diverse and balanced board structure, inculcating anti-corruption policies, and establishing fair and reasonable executive compensation.

R Systems has a compliance management system with qualified managers entrusted with compliance of various laws including the listing laws and regulations applicable to public companies in India. The Company uses independent legal counsel to advise the Company on compliance issues with respect to the laws of various countries in which the Company has its business activities and to ensure that it is not in violation of the laws applicable.

Details of policies and action taken to address the ESG Risk are covered in Business, Responsibility and sustainability Report as forms Part of Directors' Report.

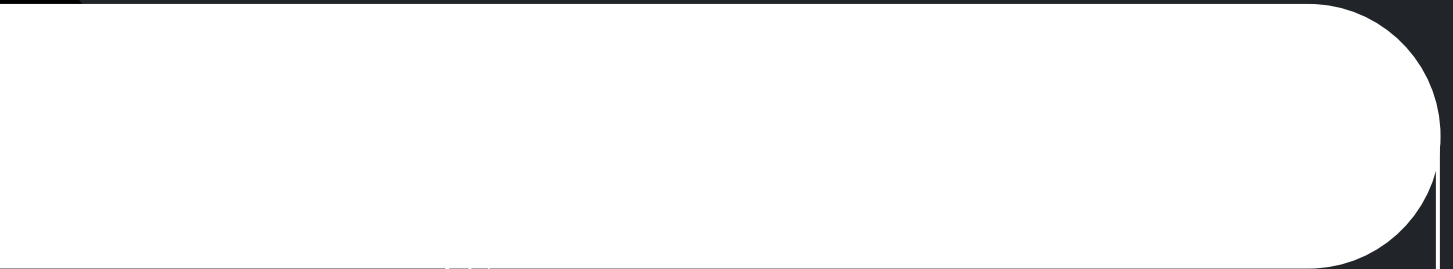
### 20. Political Risk

The Government of India has been favourably disposed towards the IT and BPO industry in India. Further, we operate in multiple countries of which the US is a major market. While most governments in the countries where we operate are in favor of free trade, we cannot be immune to changes in policies that may discourage off-shoring to protect local employment.



# FINANCIAL STATEMENTS





**STANDALONE**



**FINANCIAL**

**STATEMENTS**

# Independent Auditors' Report

To The Members of **R Systems International Limited**  
**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the accompanying standalone financial statements of **R Systems International Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31 December, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 December, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone 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 Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 financial statements of the current year. We have determined that there are no key audit matters to communicate in our report.

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include

the standalone financial statements, consolidated financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 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.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 December, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December, 2023 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 with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have pending litigations which would impact its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), 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 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 person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
- (c) Based on the information and explanations given to us by the Company and the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
  - v. The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company for financial year beginning on or after April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended December 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Jitendra Agarwal**

Partner

(Membership No.87104)

UDIN: 24087104BKCUC1522

Place: Noida

Date: 15 February, 2024

## Annexure “A” to The Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements section of our report of even date)

**Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to the standalone financial statements of R Systems International Limited (“the Company”) as of 31 December, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to the standalone financial statements based on the internal control with reference to the standalone 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 (ICAI) (the “Guidance Note”). 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 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 Act.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone 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 the standalone 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 the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone 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 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 the standalone financial statements.

### Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Noida

Date: 15 February, 2024

### **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 the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as of 31 December, 2023, based on the criteria for internal financial control with reference to the standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Jitendra Agarwal**

Partner

(Membership No.87104)

UDIN: 24087104BKCUC1522

## Annexure “B” to The Independent Auditor’s Report

### (Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, so to cover all the items once every 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all property, plant and equipment were physically verified by the management in the previous year. No such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) Based on our examination of the registered sale deed and municipal records provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 December, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The quarterly statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.
- (iii) The Company has made investment in company during the year. Further, the Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.
  - (b) The investment made during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (c) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(c), (d), (e) and (f) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made, as applicable. Further, the Company has not granted any loans or provided guarantees or securities that are covered under provisions of Section 185 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income Tax, Goods and Service Tax and other material statutory dues as applicable to it to the appropriate authorities in all cases during the year.
 

There were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income Tax, Goods and Service Tax and other material statutory dues in arrears as at 31 December, 2023 for a period of more than six months from the date they became payable.
  - (b) Details of statutory dues of Income Tax which have not been deposited as on 31 December, 2023 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount of demand* (in INR million)	Amount unpaid (in INR million)
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeals), New Delhi	AY 2018-19	33.80	27.25

\* As per demand order.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans availed by the Company during the year were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On overall examination of the 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 subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or fully, partly and optionally convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports, issued to the Company during the year and covering the period upto June 2023 and internal audit report issued after the balance sheet date covering the period July 2023 to December 2023, for the period under audit.
- (xv) During the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) 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 standalone financial statements and 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 indicating 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W- 100018)

**Jitendra Agarwal**

Partner

(Membership No.87104)

UDIN: 24087104BKCUCC1522

Place: Noida

Date: 15 February, 2024

# Standalone Balance Sheet

as at December 31, 2023

(₹ in million)

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	3 (a)	450.65	547.67
(b) Capital work in progress	3 (b)	-	25.06
(c) Investment property	3 (c)	15.96	17.43
(d) Right-of-use assets	3 (d)	473.82	539.68
(e) Intangible assets	3 (e)	5.94	9.11
(f) Financial assets			
(i) Investments	4	3,727.58	1,033.84
(ii) Other financial assets	5	29.47	33.41
(g) Deferred tax assets (net)	28	220.22	175.03
(h) Non-current tax assets (net)		26.45	27.81
(i) Other non-current assets	6	98.57	89.09
<b>Total non-current assets (A)</b>		<b>5,048.66</b>	<b>2,498.13</b>
<b>B. Current assets</b>			
(a) Financial assets			
(i) Investments	4	-	138.65
(ii) Trade receivables	7	1,031.33	1,178.70
(iii) Cash and cash equivalents	8a	194.56	825.70
(iv) Bank balances other than cash and cash equivalents	8b	940.41	4.66
(v) Other financial assets	9	603.42	759.21
(b) Other current assets	10	242.30	236.63
<b>Total current assets (B)</b>		<b>3,012.02</b>	<b>3,143.55</b>
<b>Total assets (A+B)</b>		<b>8,060.68</b>	<b>5,641.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	11	118.31	118.31
(b) Other equity	12	4,709.34	3,783.84
<b>Total equity (A)</b>		<b>4,827.65</b>	<b>3,902.15</b>
<b>Liabilities</b>			
<b>B. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	16.94	13.23
(ii) Lease liabilities	14	554.88	576.56
(iii) Other financial liabilities	15	12.01	8.76
(b) Provisions	16	246.04	207.95
<b>Total non-current liabilities (B)</b>		<b>829.87</b>	<b>806.50</b>
<b>C. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	562.24	7.21
(ii) Lease liabilities	14	16.60	13.24
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		109.98	67.60
(iv) Other financial liabilities	19	1,115.58	447.26
(b) Other current liabilities	20	249.63	164.39
(c) Provisions	21	236.18	206.94
(d) Current tax liabilities (net)		112.95	26.39
<b>Total current liabilities (C)</b>		<b>2,403.16</b>	<b>933.03</b>
<b>Total liabilities (B+C)</b>		<b>3,233.03</b>	<b>1,739.53</b>
<b>Total equity and liabilities (A+B+C)</b>		<b>8,060.68</b>	<b>5,641.68</b>

Notes forming integral part of the standalone financial statements

1-39

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Jitendra Agarwal**  
Partner  
Membership No. 87104

Place : NOIDA  
Date : February 15, 2024

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

# Standalone Statement of Profit and Loss

for the year ended December 31, 2023

(₹ in million, except per share data)

Particulars	Notes	Year ended December 31, 2023	Year ended December 31, 2022
<b>A Income</b>			
(i) Revenue from operations	22	9,038.87	8,138.90
(ii) Other income	23	706.42	70.44
<b>Total income</b>		<b>9,745.29</b>	<b>8,209.34</b>
<b>B Expenses</b>			
(i) Employee benefits expense	24	6,014.41	5,533.61
(ii) Finance costs	25	81.18	42.64
(iii) Depreciation and amortisation expense	26	239.95	195.83
(iv) Other expenses	27	1,227.87	1,096.77
<b>Total expenses</b>		<b>7,563.41</b>	<b>6,868.85</b>
<b>C Profit before tax (A-B)</b>		<b>2,181.88</b>	<b>1,340.49</b>
<b>D Tax expense</b>	28		
(i) Current tax		485.60	296.55
(ii) Deferred tax credit		(38.29)	(83.17)
<b>Total tax expense</b>		<b>447.31</b>	<b>213.38</b>
<b>E Profit for the year (C-D)</b>		<b>1,734.57</b>	<b>1,127.11</b>
<b>F Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit plans		(7.09)	6.72
Deferred tax relating to re-measurements of the defined benefit plans		2.48	(2.35)
<b>Total other comprehensive income / (loss)</b>		<b>(4.61)</b>	<b>4.37</b>
<b>G Total comprehensive income for the year (E+F)</b>		<b>1,729.96</b>	<b>1,131.48</b>
<b>H Earnings per share (EPS)</b>	29		
Equity share of par value of ₹ 1/- each			
Basic and diluted		14.66	9.53

Notes forming integral part of the standalone financial statements

1-39

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Jitendra Agarwal**  
Partner  
Membership No. 87104

Place : NOIDA  
Date : February 15, 2024

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

# Standalone Statement of Cash Flows

for the year ended December 31, 2023

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>A. Cash flows from operating activities</b>		
Profit for the year	1,734.57	1,127.11
<b>Adjustments for:</b>		
Tax expense	447.31	213.38
Depreciation and amortisation expense	239.95	195.83
Provision for doubtful debts (net)	68.87	46.72
Unrealised foreign exchange loss / (gain)	9.87	(23.89)
Unrealised loss / (gain) on derivative instruments	(107.92)	149.87
Interest income	(54.02)	(34.96)
Rental income from investment property	(6.72)	(6.72)
Net gain on disposal / fair valuation of investments	(4.62)	(6.40)
Loss / (Profit) on sale / disposal of property, plant and equipment (net)	0.10	(1.13)
Profit on cancellation of leases	-	(0.20)
Dividend from subsidiaries (refer to Note 36)	(573.90)	(3.40)
Lease rent concession (refer to Note 14)	-	(7.10)
Gain on liquidation of subsidiary	-	(0.15)
Interest expenses	81.18	42.64
<b>Operating profit before working capital changes</b>	<b>1,834.67</b>	<b>1,691.60</b>
Movements in working capital :		
(Increase) / Decrease in trade receivables	64.33	(368.24)
(Increase) / Decrease in other assets	67.54	(348.42)
Increase / (Decrease) in provisions	60.23	69.92
Increase / (Decrease) in trade payables and other liabilities	57.99	102.83
<b>Cash generated from operations</b>	<b>2,084.76</b>	<b>1,147.69</b>
Direct taxes paid, net of refunds	(316.48)	(277.10)
<b>Net cash from operating activities (A)</b>	<b>1,768.28</b>	<b>870.59</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(128.94)	(281.52)
Purchase of intangible assets	(0.49)	(9.61)
Proceeds from sale of property, plant and equipment	3.49	2.91
Proceeds from subsidiary on voluntary liquidation	-	0.62
Proceeds from redemption of mutual funds	143.27	-
Investment in subsidiary (refer to Note 4)	(2,637.07)	-
(Investment in) / Proceeds from fixed deposits with scheduled banks (net)	(11.91)	337.71
Interest received	52.84	40.55
Rental income from investment property	6.72	6.72
Dividend received from subsidiaries (net of withholding tax amounting to ₹ 86.09 million)	487.81	3.40
<b>Net cash from / (used in) investing activities (B)</b>	<b>(2,084.28)</b>	<b>100.78</b>

# Standalone Statement of Cash Flows

for the year ended December 31, 2023

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>C. Cash flows from financing activities</b>		
Proceeds from long-term borrowings	16.60	15.32
Repayment of long-term borrowings	(9.46)	(5.49)
Proceeds from short-term borrowings (net)	551.60	-
Proceeds from margin money deposits (net)	5.29	23.18
Payment of lease liabilities (refer to Note 14)	(55.18)	(41.01)
Interest paid	(21.42)	(1.16)
Interim dividend paid (refer to Note 37)	(804.46)	(768.97)
<b>Net cash used in financing activities (C)</b>	<b>(317.03)</b>	<b>(778.13)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(633.03)</b>	<b>193.24</b>
Add: Cash and cash equivalents at the beginning of the year	825.70	622.09
Add: Effect of exchange rate changes on cash and cash equivalents held in foreign currency	1.89	10.37
<b>Cash and cash equivalents at the end of the year</b>	<b>194.56</b>	<b>825.70</b>

Notes forming integral part of the standalone financial statements

1-39

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**Jitendra Agarwal**

Partner

Membership No. 87104

Place : NOIDA

Date : February 15, 2024

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

**R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**

Managing Director &

Chief Executive Officer

DIN : 10170738

Place : NOIDA

Date : February 15, 2024

**Nand Sardana**

Chief Financial Officer

Place : NOIDA

Date : February 15, 2024

**Ruchica Gupta**

Chairperson &

Non-Executive Independent Director

DIN : 06912329

Place : NOIDA

Date : February 15, 2024

**Bhasker Dubey**

Company Secretary &

Compliance Officer

Place : NOIDA

Date : February 15, 2024



# Standalone Statement of Changes in Equity

for the year ended December 31, 2023

## A. Equity share capital

(₹ in million)

Balance as at January 01, 2023	Changes in equity share capital during the year	Balance as at December 31, 2023
118.31	-	118.31

(₹ in million)

Balance as at January 01, 2022	Changes in equity share capital during the year	Balance as at December 31, 2022
118.31	-	118.31

## B. Other equity (refer to Note 12)

(₹ in million)

Particulars	Reserves and surplus			Total other equity
	Capital reserve under common control	Capital redemption reserve	Retained earnings	
<b>Balance at January 01, 2023</b>	<b>(0.34)</b>	<b>5.02</b>	<b>3,779.16</b>	<b>3,783.84</b>
Profit for the year	-	-	1,734.57	<b>1,734.57</b>
Other comprehensive income / (loss) for the year	-	-	(4.61)	<b>(4.61)</b>
Interim dividend paid (refer to Note 37)	-	-	(804.46)	<b>(804.46)</b>
<b>Balance at December 31, 2023</b>	<b>(0.34)</b>	<b>5.02</b>	<b>4,704.66</b>	<b>4,709.34</b>
<b>Balance at January 01, 2022</b>	<b>(0.34)</b>	<b>5.02</b>	<b>3,416.65</b>	<b>3,421.33</b>
Profit for the year	-	-	1,127.11	<b>1,127.11</b>
Other comprehensive income / (loss) for the year	-	-	4.37	<b>4.37</b>
Interim dividend paid (refer to Note 37)	-	-	(768.97)	<b>(768.97)</b>
<b>Balance at December 31, 2022</b>	<b>(0.34)</b>	<b>5.02</b>	<b>3,779.16</b>	<b>3,783.84</b>

Loss of ₹ 4.61 million and gain of ₹ 4.37 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the year ended December 31, 2023 and December 31, 2022, respectively.

Notes forming integral part of the standalone financial statements

1-39

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Jitendra Agarwal**  
Partner  
Membership No. 87104

Place : NOIDA  
Date : February 15, 2024

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 1. Nature of operations

R Systems International Limited (the 'Company' or 'R Systems') (Corporate Identification Number: L74899DL1993PLC053579) is a public company domiciled in India having its registered office at New Delhi. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. The Company is a leading global provider of technology, artificial intelligence, intelligent process automation services and solutions along with knowledge services. The Company delivers its services and solutions to leading technology companies and businesses to enable their digital transformation. The Company's services and solutions span over five major business verticals i.e. Independent Software Vendor (ISV), Healthcare, Manufacturing & Logistics, Telecom, Media & Entertainment (TME) and Banking, Finance & Insurance (BFSI).

## 2. Significant Accounting Policies

### (a) Statement of compliance

These standalone financial statements (the 'financial statements') are prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standard) Rules as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### (b) Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been presented in million and rounded off upto two decimal places, unless otherwise indicated.

### (c) Basis of preparation and presentation

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis except for certain financial instruments, net defined benefit obligations and other long-term employee benefits which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an

asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of services rendered to customers and the time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration of the services rendered, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### (d) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items (major component) of property, plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

continued use of the asset. Gains or losses arising from disposal or retirement of property, plant and equipment 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 disposed.

Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment received but not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP), respectively.

## (e) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment and Investment Property, less their estimated residual values using the straight line method over the useful lives of the assets estimated by the management. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values are in align with Part C of Schedule II of the Companies Act 2013.

The management estimates the useful lives are as follows:

Category	Useful life up to
Buildings	30 years
Leasehold land	Lease period
Leasehold improvements	Lower of lease period or useful life
Plant and equipment - other than air conditioners	15 years
Air conditioners	5 years
Office Equipment (other than end user devices)	5 years
Computer hardware and network installations (other than end user devices)	6 years
End-user devices such as desktop, laptop, mobile phones etc.	3 years
Furniture and fittings	10 years
Vehicles	8 years
Electrical installation	10 years

## (f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The management estimates the useful life as follows:

Category	Useful life up to
Computer software	Lower of license period or 3 years

## (g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss in the period in which the property is derecognised.

## (h) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is deducted in reporting the related expenses over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grant or subsidy relating to expenses already incurred in previous years is recognised under other income.

## (i) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amounts are presented in the standalone balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## (j) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### *Classification of financial assets*

(i) Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

(iv) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments, other than investment in subsidiary, are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Investment in subsidiary companies  
Investment in subsidiary companies is measured at cost.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire,

or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- (i) For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- (ii) Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- (iii) For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

**(k) Financial liabilities**

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

recognised as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

### De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

## (l) Impairment

- i. Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

- ii. Impairment of investment in subsidiaries:

The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction

is treated as an impairment loss and is recognised in the statement of profit and loss.

- iii. Non-financial assets

The Company's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

## (m) Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

### Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

## Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

## **(n) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and interest on lease liabilities. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready

for its intended use are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **(o) Leases**

### *Where the Company is a lessee*

The Company's lease asset classes primarily consist of leases for land, buildings and furniture. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a 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 recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has opted for the practical expedient under Ind AS 116 Para 46A read with Para 46B which provides lessee an option not to assess COVID-19-related rent concession as a lease modification. Basis

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

the practical expedient the Company has recorded lease rent concession under other income. The expedient initially allowed for COVID-19-related rent concessions to payments originally due on or before June 30, 2021 has been extended to June 30, 2022. Any lease concession received subsequent to June 30, 2022 has been accounted for as a lease modification and a corresponding adjustment is made to the carrying amount of the related right-of-use asset and lease liability.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

*Where the Company is a lessor*

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets comprising land and building which are subject to operating leases are included under non-current assets as investment property and are carried at cost less accumulated depreciation. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

## (p) Revenue

The Company derives revenue primarily from software development and related services and business process outsourcing services. The Company recognises revenue when the performance obligations as promised have been satisfied with a transaction price and when there is no uncertainty as to measurement or collectability of the consideration.

The Company has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts

/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company collects Goods and Service Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

Revenue from licenses where the customer obtains a right to use are recognised at the time the licenses is made available to the customers.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as unearned revenues).

Unbilled revenue for fixed price contracts are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones. Unbilled revenue on contracts other than above is classified as a financial asset.



# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## (q) Other income

Other income is comprised primarily of interest income, dividend income, net gain on foreign exchange fluctuations, rental income and gain on investments. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate. Dividend income is recognised when the Company's right to receive dividend is established.

## (r) Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency of the Company, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

### Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

### Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items and exchange gain / loss on forward contracts are recognised as income or expenses in the statement of profit and loss in the period in which they arise.

## (s) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all related employee benefits. The related risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

- (i) The Company's contribution to social security plans such as provident fund, employee state insurance scheme, 401K etc. are considered as defined contribution plans and are charged as

an expense based on the amount of contribution required to be made and when services are rendered by the employees.

- (ii) Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to statement of profit and loss subsequently.

The provision for gratuity recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets.

- (iii) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. The actuarial gains and losses are recognised in the statement of profit and loss. Non-accumulating compensated absences are recognised in the period in which the absences occur.

The Company presents the entire Compensated absences liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

## (t) Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## *Current tax*

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

## *Deferred tax*

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realised.

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

tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. MAT credit asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under deferred tax assets.

## **(u) Segment reporting**

The Company determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Each segment item reported is measured at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance.

### *Inter segment transfers:*

The Company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

### *Allocation of common costs:*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### *Unallocated items:*

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

## **(v) Earnings per share (EPS)**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

period, that have changed the number of equity shares outstanding, without a corresponding change in resources. The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

## **(w) Share based payments**

In accordance with Ind AS 102 – “Share Based Payments”, the cost of equity-settled transaction is determined by the fair value of the options at the date of the grant and recognised as employee compensation cost over the vesting period. 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 expense recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

## **(x) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## **(y) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

## **(z) Business combinations**

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for using pooling of interest method as if the acquisition had occurred at the beginning of the earliest comparative period presented. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the transferor company. The difference, if any, between the share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be recorded as capital reserve and presented separately as capital reserve under common control.

## **(aa) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

## **(ab) Use of estimates and judgement**

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. These estimates are based on the management’s best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## Critical accounting estimates

### i. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

### ii. Income taxes

The Company's major tax jurisdictions is India, though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

The Company reviews carrying amount of deferred tax assets at the end of each reporting period.

### iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### iv. Leases

The Company considers extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

### v. Impairment of investments

The Company reviews its carrying value of investments at each Balance Sheet date, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### vi. Employee benefit plans

The present value of provision for gratuity and compensated absence is based on actuarial valuation using the projected unit credit method. An

actuarial valuation involves 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, provision for gratuity and compensated absence is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023. These amendments are applicable to the Company for the financial year starting January 01, 2024. The Company does not expect these amendments to have any significant impact in its financial statements.

### a. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

### b. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

### c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 3 (a). Property, plant and equipment

(₹ in million)

Particulars	Buildings and leasehold improvements	Plant and equipment	Electric installation	Furniture and fittings	Computer hardware	Vehicles <sup>1</sup>	Office equipment	Total
<b>At cost</b>								
<b>Gross block</b>								
<b>As at January 01, 2022</b>	85.77	55.53	20.09	79.98	724.80	76.22	45.99	<b>1,088.38</b>
Additions	-	4.28	-	1.05	226.34	34.78	4.51	<b>270.96</b>
Deletions	-	-	-	-	(11.04)	(11.56)	(3.03)	<b>(25.63)</b>
<b>As at December 31, 2022</b>	<b>85.77</b>	<b>59.81</b>	<b>20.09</b>	<b>81.03</b>	<b>940.10</b>	<b>99.44</b>	<b>47.47</b>	<b>1,333.71</b>
Additions	-	5.58	-	0.07	62.53	23.39	3.52	<b>95.09</b>
Deletions	-	(1.59)	-	-	(1.66)	(10.29)	(0.66)	<b>(14.20)</b>
<b>As at December 31, 2023</b>	<b>85.77</b>	<b>63.80</b>	<b>20.09</b>	<b>81.10</b>	<b>1,000.97</b>	<b>112.54</b>	<b>50.33</b>	<b>1,414.60</b>
<b>Accumulated Depreciation</b>								
<b>As at January 01, 2022</b>	39.60	36.52	18.75	75.75	412.27	34.39	37.38	<b>654.66</b>
Charge for the year	3.48	2.78	0.26	0.88	133.69	10.11	4.03	<b>155.23</b>
Deletions	-	-	-	-	(10.63)	(10.20)	(3.02)	<b>(23.85)</b>
<b>As at December 31, 2022</b>	<b>43.08</b>	<b>39.30</b>	<b>19.01</b>	<b>76.63</b>	<b>535.33</b>	<b>34.30</b>	<b>38.39</b>	<b>786.04</b>
Charge for the year	3.48	3.12	0.25	0.93	163.10	13.31	4.33	<b>188.52</b>
Deletions	-	(0.91)	-	-	(1.66)	(7.52)	(0.52)	<b>(10.61)</b>
<b>As at December 31, 2023</b>	<b>46.56</b>	<b>41.51</b>	<b>19.26</b>	<b>77.56</b>	<b>696.77</b>	<b>40.09</b>	<b>42.20</b>	<b>963.95</b>
<b>Net block</b>								
<b>As at December 31, 2022</b>	<b>42.69</b>	<b>20.51</b>	<b>1.08</b>	<b>4.40</b>	<b>404.77</b>	<b>65.14</b>	<b>9.08</b>	<b>547.67</b>
<b>As at December 31, 2023</b>	<b>39.21</b>	<b>22.29</b>	<b>0.83</b>	<b>3.54</b>	<b>304.20</b>	<b>72.45</b>	<b>8.13</b>	<b>450.65</b>

### Notes:

- (1) Gross block of vehicles amounting to ₹ 57.52 million (as at December 31, 2022 : ₹ 37.19 million) are hypothecated against terms loans for vehicle financed from a non-banking financial corporation. Also refer to Note 13.
- (2) Refer to Note 17 with respect to moveable assets (excluding vehicles) hypothecated against short term borrowings.
- (3) Capital commitments:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Estimated amount of unexecuted capital contracts (A)	48.69	10.97
Capital advances (B)	45.74	8.80
<b>Net capital commitment (A-B)</b>	<b>2.95</b>	<b>2.17</b>

## 3 (b). Capital work in progress ageing schedule

(₹ in million)

Projects in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at December 31, 2023	-	-	-	-	-
As at December 31, 2022	25.06	-	-	-	<b>25.06</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 3 (c). Investment property

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Cost of land and building given on operating lease</b>		
Balance at beginning of the year	35.96	35.96
Additions	-	-
<b>Balance at the end of year</b>	<b>35.96</b>	<b>35.96</b>
<b>Accumulated depreciation</b>		
Balance at beginning of the year	18.53	17.06
Charge for the year	1.47	1.47
<b>Balance at the end of year</b>	<b>20.00</b>	<b>18.53</b>
<b>Net block</b>	<b>15.96</b>	<b>17.43</b>

### Measurement of fair values

Investment property consists of land and building situated at Pune, India and is accounted for at cost. The Company has estimated that the fair value of investment property is ₹ 101.13 million (Previous year: ₹ 99.73 million). The estimate is based on the valuation by a registered valuer during the year. The fair value measurement for the investment property has been categorised as a Level 2.

## 3 (d). Right-of-use assets

(₹ in million)

Particulars	Leasehold Land	Building	Vehicles	Computer hardware	Furniture and fittings	Total
<b>At cost</b>						
<b>Gross block</b>						
<b>As at January 01, 2022</b>	19.99	314.50	3.58	0.97	63.00	<b>402.04</b>
Additions	-	208.65	-	-	49.42	<b>258.07</b>
Modification of lease	-	(8.87)	-	-	(1.93)	<b>(10.80)</b>
Retirement on completion/ termination of lease	(4.69)	-	(3.58)	-	-	<b>(8.27)</b>
<b>As at December 31, 2022</b>	<b>15.30</b>	<b>514.28</b>	<b>-</b>	<b>0.97</b>	<b>110.49</b>	<b>641.04</b>
Modification of lease	-	(15.96)	-	-	(3.60)	<b>(19.56)</b>
<b>As at December 31, 2023</b>	<b>15.30</b>	<b>498.32</b>	<b>-</b>	<b>0.97</b>	<b>106.89</b>	<b>621.48</b>
<b>Accumulated Depreciation</b>						
<b>As at January 01, 2022</b>	7.33	44.54	2.32	0.44	17.67	<b>72.30</b>
Charge for the year	1.06	26.74	0.77	0.22	7.77	<b>36.56</b>
Retirement on completion/ termination of lease	(4.41)	-	(3.09)	-	-	<b>(7.50)</b>
<b>As at December 31, 2022</b>	<b>3.98</b>	<b>71.28</b>	<b>-</b>	<b>0.66</b>	<b>25.44</b>	<b>101.36</b>
Charge for the year	0.18	35.13	-	0.22	10.77	<b>46.30</b>
<b>As at December 31, 2023</b>	<b>4.16</b>	<b>106.41</b>	<b>-</b>	<b>0.88</b>	<b>36.21</b>	<b>147.66</b>
<b>Net block</b>						
<b>As at December 31, 2022</b>	<b>11.32</b>	<b>443.00</b>	<b>-</b>	<b>0.31</b>	<b>85.05</b>	<b>539.68</b>
<b>As at December 31, 2023</b>	<b>11.14</b>	<b>391.91</b>	<b>-</b>	<b>0.09</b>	<b>70.68</b>	<b>473.82</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 3 (e). Intangible assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>At cost</b>		
<b>Software</b>		
<b>Gross block</b>		
Balance at beginning of the year	56.23	52.11
Additions	0.49	9.61
Deletions	-	(5.49)
<b>Balance at the end of year</b>	<b>56.72</b>	<b>56.23</b>
<b>Accumulated amortisation</b>		
Balance at beginning of the year	47.12	50.03
Charge for the year	3.66	2.57
Deletions	-	(5.48)
<b>Balance at the end of year</b>	<b>50.78</b>	<b>47.12</b>
<b>Net block</b>	<b>5.94</b>	<b>9.11</b>

## 4. Investments

(₹ in million)

Particulars	As at December 31, 2023		As at December 31, 2022	
<b>A. Non-current investments</b>				
<b>Unquoted investments (fully paid), measured at FVTPL</b>				
Investment in Saraswat Co-operative Bank Ltd 2,500 (previous year 2,500) shares of ₹ 10 each fully paid up		0.03		0.03
<b>Total investment measured at FVTPL</b>		<b>0.03</b>		<b>0.03</b>
<b>Investment in subsidiaries, measured at cost</b>				
(i) Investment in R Systems, Inc., USA 2,150 (previous year 2,150) shares of "no par" value		281.17		281.17
(ii) Investment in R Systems (Singapore) Pte. Ltd., Singapore 5,780,768 (previous year 5,780,768) ordinary shares of "no par" value		274.56		274.56
(iii) Investment in R Systems Technologies Limited, USA 243,750 (previous year 243,750) common stock of "no par" value		10.79		10.79
(iv) Investment in R Systems Consulting Services Limited, Singapore (refer to Note 1 below) 63,891,260 (previous year 63,891,260) ordinary shares of "no par" value	36.34		36.34	
Less: Provision for diminution in the value of investment	(5.53)	30.81	(5.53)	30.81
(v) Investment in R Systems Computaris International Limited, UK 66,500 (previous year 66,500) ordinary shares of GBP 0.01 each fully paid up		350.63		350.63
(vi) Investment in RSYS Technologies Limited, Canada 200 (previous year 200) Class A common shares of CAD 1 each fully paid up 25 (previous year 25) Class B preferred shares of CAD 3,992 each fully paid up 375 (previous year 375) Class B preferred shares of CAD 4,000 each fully paid up		85.85		85.85
(vii) Investment in Velotio Technologies Private Limited, India (Refer to Note 2 below) 110,813 (previous year Nil) equity shares of ₹ 1 each fully paid up		2,693.74		-
<b>Total investments measured at cost</b>		<b>3,727.55</b>		<b>1,033.81</b>
<b>Aggregate carrying value of Non-current unquoted investments</b>		<b>3,727.58</b>		<b>1,033.84</b>
<b>Provision for investments</b>		<b>5.53</b>		<b>5.53</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 4. Investments (Contd.)

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>B. Current investments</b>		
<b>Unquoted investments in mutual funds, measured at FVTPL</b>		
Nil (previous year 9,139) units of SBI Premier Liquid Fund	-	31.43
Nil (previous year 7,277) units of HDFC Liquid Fund	-	31.38
Nil (previous year 115,669) units of ICICI Prudential Liquid Fund	-	37.90
Nil (previous year 15,428) units of Axis Liquid Fund	-	37.94
<b>Total investments in mutual funds</b>	<b>-</b>	<b>138.65</b>
<b>Total current investments (unquoted)</b>	<b>-</b>	<b>138.65</b>

### Notes:

- The Company had granted loans aggregating to ₹ 152.00 million (SGD 3.80 million) to R Systems Consulting Services Limited (formerly known as ECnet Limited) a subsidiary of the Company. These loans were disbursed over the period 2004 to 2010. R Systems Consulting Services Limited had accumulated losses which were in excess of its share capital as at 31 December, 2010.

During the year ended 31 December, 2010, the Board of Directors had approved a scheme for corporate restructuring of its two subsidiaries based in Singapore viz R Systems Consulting Services Limited (formerly known as ECnet Limited) and R Systems (Singapore) Pte Limited. The proposed corporate restructuring involves conversion of loan by the Company to R Systems Consulting Services Limited (formerly known as ECnet Limited) into equity investment and thereafter amalgamation of both these subsidiaries.

During the year ended December 31, 2011, the loan of ₹ 152.00 million (SGD 3.80 million) given by the Company to R Systems Consulting Services Limited (formerly known as ECnet Limited) was converted into equity share of R Systems Consulting Services Limited at the fair value of ₹ Nil. Further, in subsequent years the proposed amalgamation was called off.

The Company had prepared its first financial statements as per India Accounting Standards (Ind AS) for the year ended 31 December, 2018. In accordance with Ind AS 101, the Company had availed exemption in respect of investments in subsidiaries whereby the Company had opted to value its investments in subsidiaries as per previous GAAP and use the cost as per previous GAAP at the date of transition as deemed cost. The Company had valued the above-mentioned investments as at 01 January, 2017 at ₹ Nil and was consequently not included in the value of investments made in R Systems Consulting Services Limited.

- On July 3, 2023, the Company has completed the acquisition of 100% equity shares of Velotio Technologies Private Limited ("Velotio") at a consideration of ₹ 2,693.74 million. Out of this, ₹ 2,637.07 million has been paid and balance ₹ 56.67 million is payable as at December 31, 2023. Further, the previous shareholders of Velotio hold 123,850 outstanding optionally convertible redeemable preference shares ("OCRPS") which are valued at ₹ 2,407.00 million based on terms and conditions stated in Shareholder Agreement ("SHA") dated June 7, 2023 entered into between the Company, Velotio and the previous shareholders of Velotio. The Company may at a later stage, as may be approved by its board of directors, acquire such OCRPS, subject to the terms and conditions set out in the SHA. Velotio holds 40% equity shares in Scaleworx Technologies Private Limited ("ScaleWorx").

On December 01, 2023, Velotio has acquired balance 60% shareholding in ScaleWorx at a purchase consideration of ₹ 42.50 million. Subsequent to the aforesaid acquisition, ScaleWorx has become a wholly-owned subsidiary of Velotio.

## 5. Other non-current financial assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Unsecured, considered good</b>		
Security deposits	28.84	27.14
Margin money deposits (refer to Note 8b)	0.57	5.86
Interest accrued on bank deposits	0.01	0.36
Staff advance	0.05	0.05
	<b>29.47</b>	<b>33.41</b>



# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 6. Other non-current assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Unsecured, considered good</b>		
Capital advances	45.74	8.80
Prepaid expenses	52.83	80.29
	<b>98.57</b>	<b>89.09</b>

## 7. Trade receivables (Unsecured)

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good	1,031.33	1,178.70
Unsecured, credit impaired	104.85	49.67
Less: Allowance for doubtful debts (expected credit loss allowance)	(104.85)	(49.67)
	<b>1,031.33</b>	<b>1,178.70</b>

Refer to Note 35 for related party balances.

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at December 31, 2023</b>							
Undisputed, considered good	708.00	317.92	3.27	2.14	-	-	<b>1,031.33</b>
Undisputed, credit impaired	18.61	44.32	31.80	4.82	-	-	<b>99.55</b>
Disputed, credit impaired	-	4.75	0.55	-	-	-	<b>5.30</b>
<b>As at December 31, 2022</b>							
Undisputed, considered good	817.12	361.03	0.55	-	-	-	<b>1,178.70</b>
Undisputed, credit impaired	-	16.20	22.84	9.06	-	-	<b>48.10</b>
Disputed, credit impaired	-	-	1.57	-	-	-	<b>1.57</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Particulars	Ageing*			
	Up to 90 days	90-180 days	180-365 days	More than 365 days
<b>Default rate as at December 31, 2023</b>	0.02%	0.21%	0.45%	2.00%
<b>Default rate as at December 31, 2022</b>	0.01%	0.07%	0.17%	2.00%

\* In case of probability of non-collection, credit loss rate is 100%

### Movement in expected credit loss allowance:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	49.67	6.02
Provision for doubtful debts (net)	68.87	46.72
Bad debts written off	(10.60)	(6.60)
Effect of foreign exchange fluctuation	(3.09)	3.53
<b>Balance at the end of the year</b>	<b>104.85</b>	<b>49.67</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 8a. Cash and cash equivalents

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
(a) Cash on hand	0.03	0.20
(b) Balances with scheduled banks		
(i) in current accounts	18.90	15.41
(ii) in EEFC accounts	58.92	173.97
(iii) in deposit accounts with original maturity of less than 3 months	-	525.47
(c) Balances with other banks		
(i) in current accounts	116.71	110.65
<b>Cash and cash equivalents</b>	<b>194.56</b>	<b>825.70</b>

## 8b. Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
(a) In other deposit accounts		
(i) original maturity more than 12 months	112.74	232.12
(ii) original maturity more than 3 months but less than 12 months	133.42	2.10
(iii) held as margin money	0.57	5.86
Deposits with banks	<b>246.73</b>	<b>240.08</b>
Less: Bank deposits with original maturity of more than 12 months disclosed under Note 9	(112.74)	(232.12)
Less: Margin money deposit disclosed under Note 5	(0.57)	(5.86)
	<b>133.42</b>	<b>2.10</b>
(b) Balances with scheduled banks		
(i) in unclaimed dividend accounts	2.53	2.56
(ii) Bank balance towards interim dividend (refer to Note 37)	804.46	-
<b>Bank balances other than cash and cash equivalents</b>	<b>940.41</b>	<b>4.66</b>

### Note:

- (i) For details of bank wise balances, refer to Note 8c.

## 8c. Cash and bank balances

(₹ in million)

S. No.	Particulars	As at December 31, 2023	As at December 31, 2022
<b>A</b>	<b>Cash on Hand</b>	<b>0.03</b>	<b>0.20</b>
	<b>Balances with scheduled banks</b>		
<b>B</b>	<b>In current accounts</b>		
1	ICICI Bank Limited	12.48	8.95
2	HDFC Bank Limited	0.14	0.14
3	Axis Bank Limited	6.28	6.32
		<b>18.90</b>	<b>15.41</b>
<b>C</b>	<b>In EEFC accounts</b>		
1	ICICI Bank Limited	4.01	32.94
2	Axis Bank Limited	54.91	141.03
		<b>58.92</b>	<b>173.97</b>
<b>D</b>	<b>In deposit accounts</b>		
1	State Bank of India	0.01	5.34
2	ICICI Bank Limited	0.56	11.02
3	Axis Bank Limited	246.16	749.19
		<b>246.73</b>	<b>765.55</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 8c. Cash and bank balances (Contd.)

(₹ in million)

S. No.	Particulars	As at December 31, 2023	As at December 31, 2022
<b>E</b>	<b>In unclaimed dividend accounts</b>		
1	HDFC Bank Limited	0.73	0.74
2	ICICI Bank Limited	1.80	1.82
		<b>2.53</b>	<b>2.56</b>
<b>F</b>	<b>Bank balance towards interim dividend</b>		
1	ICICI Bank Limited (refer to Note 37)	804.46	-
		<b>804.46</b>	<b>-</b>
	<b>Balance with other banks</b>		
<b>G</b>	<b>In current accounts</b>		
1	California Bank & Trust, USA	112.01	110.19
2	JP Morgan Chase Bank, USA	4.70	0.46
		<b>116.71</b>	<b>110.65</b>
	<b>Total cash and bank balances (A+B+C+D+E+F+G)</b>	<b>1,248.28</b>	<b>1,068.34</b>
	Cash and cash equivalents (refer to Note 8a)	194.56	825.70
	Deposits with banks (refer to Note 8b)	246.73	240.08
	Balance in unclaimed dividend accounts (refer to Note 8b)	2.53	2.56
	Bank balance towards interim dividend (refer to Note 8b)	804.46	-
	<b>Total cash and bank balances</b>	<b>1,248.28</b>	<b>1,068.34</b>

## 9. Other current financial assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Staff advance	2.98	2.37
Recoverable from related parties (refer to Note 35)	3.08	18.17
Unbilled revenue (refer to Note 22 and Note 35)	469.87	503.47
Security deposits	0.89	2.90
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	112.74	232.12
Mark-to-market gain on derivative instruments (refer to Note 31)	9.86	-
Interest accrued on bank deposits	0.05	0.02
Others	3.95	0.16
	<b>603.42</b>	<b>759.21</b>

## 10. Other current assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Balance with indirect tax authorities	71.44	68.68
Unbilled revenue (refer to Note 22 and Note 35)	11.24	10.48
Prepaid expenses	142.90	147.97
Advance to vendors	13.96	6.33
Tour and travel advance	2.76	3.17
	<b>242.30</b>	<b>236.63</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 11. Equity share capital

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Authorised</b>		
206,000,000 (December 31, 2022: 206,000,000) equity shares of ₹ 1 each	206.00	206.00
<b>Issued, subscribed and fully paid up</b>		
118,303,445 (December 31, 2022: 118,303,445) equity shares of ₹ 1 each	118.31	118.31
	<b>118.31</b>	<b>118.31</b>

### Notes:

**(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year:**

Particulars	Year ended December 31, 2023		Year ended December 31, 2022	
	Number of shares	₹ in million	Number of shares	₹ in million
At the beginning of the year	118,303,445	118.31	118,303,445	118.31
Changes during the year	-	-	-	-
<b>Outstanding at the closing of the year</b>	<b>118,303,445</b>	<b>118.31</b>	<b>118,303,445</b>	<b>118.31</b>

**(b) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding company:**

Particulars	As at December 31, 2023	As at December 31, 2022
BCP Asia II Topco II Pte. Ltd.	61,433,005	-

No shares are held by the ultimate holding company. Refer to Note 35 with respect to ultimate holding company.

**(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

**(i) Shares issued pursuant to merger of RightMatch Holdings Limited:**

The scheme of amalgamation was approved by Hon'ble National Company Law Tribunal, New Delhi vide order dated February 01, 2021 and the Supreme Court of Mauritius vide order dated September 14, 2020 and amended order dated September 21, 2020, between RightMatch Holdings Limited (RightMatch) and the Company and their respective shareholders and creditors. Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme became effective on March 09, 2021 and 8,828,489 fully paid equity shares of the face value of ₹ 1/- each of the Company were issued and allotted to the equity shareholders of RightMatch in the proportion of their respective equity shareholding in RightMatch and equivalent number of shares of the Company as held by RightMatch were cancelled and extinguished.

**(ii) Shares bought back:**

During the year ended December 31, 2021, the Company bought back 1.33 million equity shares of ₹ 1 each at a price of ₹ 225/- per equity share, payable in cash for a total consideration of ₹ 299.93 million by utilising the securities premium account of ₹ 46.66 million, general reserve of ₹ 155.04 million and retained earnings to the extent of 96.90 million. The capital redemption reserve was created out of retained earnings for ₹ 1.33 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on October 14, 2021.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 11. Equity share capital (Contd.)

During the year ended December 31, 2019, the Company bought back 3.69 million equity shares of ₹ 1 each at a price of ₹ 65/- per equity share, payable in cash for a total consideration of ₹ 239.85 million by utilising the securities premium account to the extent of ₹ 236.16 million and general reserve to the extent of ₹ 3.69 million. The capital redemption reserve was created out of general reserve for ₹ 3.69 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on April 15, 2019.

### (e) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at December 31, 2023		As at December 31, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi & Harpreet Rekhi)	-	-	11,702,623	9.89
Dr. Satinder Singh Rekhi	-	-	7,403,456	6.26
Sartaj Singh Rekhi	-	-	18,676,248	15.79
Ramneet Singh Rekhi	-	-	16,236,331	13.72
BCP Asia II Topco II Pte. Ltd.	61,433,005	51.93	-	-
Bhavook Tripathi	36,508,810	30.86	42,038,395	35.53

As per secretarial records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### (f) Shareholding of promoters (refer Note below)

Name of promoter	As at December 31, 2023		As at December 31, 2022		% Change during the year ended December 31, 2023
	No. of shares held	% of Holding	No. of shares held	% of Holding	
<b>Promoters:</b>					
Dr. Satinder Singh Rekhi	-	-	7,403,456	6.26	(100%)
Harpreet Rekhi	-	-	5,099,389	4.31	(100%)
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi & Harpreet Rekhi)	-	-	11,702,623	9.89	(100%)
BCP Asia II Topco II Pte Ltd.	61,433,005	51.93	-	-	100%
<b>Promoters group:</b>					
Sartaj Singh Rekhi	-	-	18,676,248	15.79	(100%)
Ramneet Singh Rekhi	-	-	16,236,331	13.72	(100%)
Jagmohan Singh Walia	-	-	1,272,389	1.08	(100%)
Kuldeep Baldev Singh	-	-	371,908	0.31	(100%)
Anita Behl	-	-	367,525	0.31	(100%)
Amrita Rekhi	-	-	100	0.00	(100%)

#### Note:

Pursuant to the Share Purchase Agreement dated November 16, 2022, as amended on March 21, 2023 (SPA), BCP Asia II Topco II Pte. Ltd. (the "Acquirer") had acquired 61,129,969 Equity Shares, representing 51.67% of the paid up Share Capital of the Company from (i) Dr. Satinder Singh Rekhi, (ii) Mrs. Harpreet Rekhi, (iii) The Satinder and Harpreet Rekhi Family Trust, (iv) Mr. Sartaj Singh Rekhi, (v) Mr. Ramneet Singh Rekhi, (vi) Mr. Jagmohan Singh Walia, (vii) Mrs. Amrita Rekhi, (viii) Mrs. Kuldeep Baldev Singh and (ix) Mrs. Anita Behl (Outgoing Promoter & Promoter Group). In addition, the Acquirer had also acquired 303,036 Equity Shares, from public shareholders, under the Composite Offer vide Letter of Offer dated April 10, 2023. The shareholding of the Acquirer post the acquisition under the SPA and Composite Offer is 61,433,005, representing 51.93% of the paid up share capital of the Company. Pursuant to aforesaid acquisition of shares by Acquirer, the Acquirer has become the Promoter of the Company and the Outgoing Promoter and Promoter Group have ceased to be the Promoter of the Company.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 11. Equity share capital (Contd.)

### (g) Employees Stock Option Plan:

On November 15, 2023 Shareholders of the Company, upon approval of the Board of Directors of the Company and recommendation of the Nomination, Remuneration and Compensation Committee ("NRCC"), have approved R Systems International Limited Management Incentive Plan 2023 ("Plan") to grant the eligible employees of the Company and its subsidiaries, such number of employee stock options ("Options") and restricted stock units ("RSUs") exercisable into not more than 8,000,000 (eight million) equity shares of face value ₹ 1/- each, being 6.3% (six point three percent) of the paid-up equity capital of the Company (subject to any adjustments, as may be required due to any corporate action or change in control of the Company), at such price and on such terms and conditions as may be fixed or determined by the NRCC in accordance with Applicable Laws.

Subsequent to the year ended December 31, 2023, NRCC at its meetings held on January 17, 2024 and February 15, 2024, has approved the grant of 5,349,768 (Fifty Three Lakhs Forty Nine Thousand Seven Hundred Sixty Eight only) RSUs to the identified employees of the Company and subsidiaries under the Plan.

## 12. Other equity

Particulars	(₹ in million)	
	As at December 31, 2023	As at December 31, 2022
<b>a. Capital reserve under common control</b>	(0.34)	(0.34)
Capital reserve under common control represent reserves recorded upon business transfer under common control.		
<b>b. Capital redemption reserve</b>	5.02	5.02
Capital redemption reserve was created by transfer from general reserve of an amount equal to the nominal value of equity shares bought back by the Company. It is utilised in accordance with the provisions of the Companies Act, 2013.		
<b>c. Retained earnings</b>	4,704.66	3,779.16
Retained earnings comprises the Company's undistributed earnings after taxes.		
<b>Other equity</b>	<b>4,709.34</b>	<b>3,783.84</b>

### Note:

(1) Year-wise movement of the individual line items above is given in the Standalone Statement of Changes in Equity.

## 13. Borrowings (non-current) (at amortised cost)

Particulars	(₹ in million)	
	As at December 31, 2023	As at December 31, 2022
Term loans		
- Motor vehicle loan from non banking financial corporation (secured)	27.58	20.44
Less:		
Current maturities of term loans (disclosed under Note 17)	10.64	7.21
	<b>16.94</b>	<b>13.23</b>

### Note:

Motor vehicle loans are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 7.30% to 9.48% per annum. The term loans are repayable in equated monthly instalments ranging from 36 to 60 months from the date of loan.

## 14. Lease liabilities

Particulars	(₹ in million)	
	As at December 31, 2023	As at December 31, 2022
Current	16.60	13.24
Non-current	554.88	576.56
	<b>571.48</b>	<b>589.80</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 14. Lease liabilities (Contd.)

Movement schedule of lease liabilities is as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2023	Year ended December 31, 2022
Opening balance	589.80	359.91
Additions during the year	-	248.46
Interest accrued on lease liabilities	56.47	41.40
Modification of lease	(19.56)	(10.80)
Cancellation/termination of lease	-	(0.97)
Payment of lease liabilities	(55.18)	(41.01)
Lease rent concession	-	(7.10)
Effect of foreign exchange fluctuation	(0.05)	(0.09)
<b>Closing balance</b>	<b>571.48</b>	<b>589.80</b>

Rental expense recorded for short-term leases was ₹6.66 million (previous year ₹8.49 million) for the year ended December 31, 2023.

## 15. Other non-current financial liabilities

Particulars	(₹ in million)	
	Year ended December 31, 2023	Year ended December 31, 2022
Security deposits	12.01	8.76
	<b>12.01</b>	<b>8.76</b>

## 16. Provisions (non-current)

Particulars	(₹ in million)	
	Year ended December 31, 2023	Year ended December 31, 2022
<b>Provision for employee benefits</b>		
- Gratuity	246.04	207.95
	<b>246.04</b>	<b>207.95</b>

Refer to Note 24 for detailed disclosures for gratuity.

## 17. Borrowings (current)

Particulars	(₹ in million)	
	Year ended December 31, 2023	Year ended December 31, 2022
<b>Secured</b>		
Cash credit facility from scheduled banks (refer Notes below)		
ICICI Bank Limited	263.79	-
Axis Bank Limited	287.81	-
Current maturities of term loans	10.64	7.21
	<b>562.24</b>	<b>7.21</b>

### Notes:

- Cash credit limit / bank guarantee / loan equivalent risk / letter of credit is secured by pari-passu charge by way of hypothecation of entire current assets and movable fixed assets (excluding vehicles). The quarterly statements filed by the company with the banks are in agreement with the books of account.
- Cash credit facility from ICICI Bank Limited is repayable on demand and carries interest @ 6 months I-MCLR plus a spread of 0.50% p.a.
- Cash credit facility from Axis Bank Limited is repayable on demand and carries interest @ 3 months MCLR.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 18. Trade payables

### Trade payable ageing schedule:

(₹ in million)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at December 31, 2023</b>					
Micro enterprises and small enterprises	-	-	-	-	-
Others	18.19	-	-	-	<b>18.19</b>
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	<b>18.19</b>	-	-	-	<b>18.19</b>
Accrued expenses					<b>91.79</b>
<b>Total</b>					<b>109.98</b>
<b>As at December 31, 2022</b>					
Micro enterprises and small enterprises	-	-	-	-	-
Others	6.65	-	-	-	<b>6.65</b>
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	<b>6.65</b>	-	-	-	<b>6.65</b>
Accrued expenses					<b>60.95</b>
<b>Total</b>					<b>67.60</b>

### Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, 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 Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil



# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 19. Other current financial liabilities

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Payable to subsidiary companies (refer to Note 35)	50.87	54.66
Security deposits received	12.31	9.96
Unclaimed dividend	2.53	2.56
Mark-to-market loss on derivative instruments (refer to Note 31)	-	98.06
Employee benefits payable	290.59	256.26
Capital creditors	-	21.97
Interim dividend payable	689.55	-
Advance from customers	6.77	0.34
Payable for acquisition of subsidiary	56.67	-
Interest accrued but not due	2.97	-
Other financial liabilities	3.32	3.45
	<b>1,115.58</b>	<b>447.26</b>

## 20. Other current liabilities

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Tax deducted on dividend	114.91	-
Other statutory dues payable	93.36	93.79
Unearned revenues (refer to Note 22 and Note 35)	41.36	70.60
	<b>249.63</b>	<b>164.39</b>

## 21. Provisions (current)

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Provision for employee benefits</b>		
- Gratuity	18.68	24.43
- Compensated absence	217.50	182.51
	<b>236.18</b>	<b>206.94</b>

Refer to Note 24 for detailed disclosures for gratuity.

## 22. Revenue from operations

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Sale of services	9,038.87	8,138.90
	<b>9,038.87</b>	<b>8,138.90</b>

### Disaggregate revenue information

The table below presents disaggregated revenues from the Company's contracts with customers by geography and customer's industry type. The Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 22. Revenue from operations (Contd.)

### Revenue by geography:

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
India	262.89	278.02
North America	8,023.68	7,148.28
South East Asia	151.48	126.37
Europe	477.04	538.34
Others	123.78	47.89
	<b>9,038.87</b>	<b>8,138.90</b>

### Revenue by customer's industry type :

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
Independent Software Vendor (ISV)	2,753.94	2,344.45
Healthcare	1,898.02	1,640.48
Manufacturing and Logistics	1,197.24	1,117.19
Telecom, Media & Entertainment (TME)	789.63	804.94
Banking, Finance & Insurance (BFSI)	938.91	875.21
Other Services	1,461.13	1,356.63
	<b>9,038.87</b>	<b>8,138.90</b>

### Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue.

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

### Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts as revenue. Applying the practical expedients as given in IND AS 115, the Company has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialised and adjustments for currency.

Disclosure relating to remaining performance obligation relating to fixed bid price contracts require the aggregate amounts of transaction price yet to be recognised as revenue at the reporting date and expected timelines to recognise these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 23. Other income

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Interest income on		
- Bank deposits	52.52	33.93
- Financial instruments measured at amortised cost	1.50	1.03
Dividend received from subsidiaries (refer to Note 36)	573.90	3.40
Rental income from investment property	6.72	6.72
Foreign exchange fluctuation (net)	64.37	-
Profit on sale of property, plant and equipment (net)	-	1.13
Profit on cancellation of leases	-	0.20
Lease rent concession (refer to Note 14)	-	7.10
Net gain on disposal / fair valuation of investments	4.62	6.40
Gain on Liquidation of subsidiary	-	0.15
Miscellaneous income	2.79	10.38
	<b>706.42</b>	<b>70.44</b>

## 24. Employee benefits expense

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, wages and bonus	5,629.39	5,174.12
Gratuity expenses	55.88	49.00
Contribution to social security plans	208.01	192.84
Staff welfare expenses	121.13	117.65
	<b>6,014.41</b>	<b>5,533.61</b>

### (a) The Code on Social Security, 2020 (the 'Code')

The Code relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and corresponding rules, and will record any related impact in the period when they become effective.

### (b) Gratuity

The Company has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with the "Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company.

Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit obligations) is as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Service cost	39.93	37.24
Net interest cost	15.95	11.76
<b>Net gratuity expense recognised in statement of profit and loss</b>	<b>55.88</b>	<b>49.00</b>
<b>Re-measurement loss / (gain) recognised in other comprehensive income</b>	<b>7.09</b>	<b>(6.72)</b>
<b>Total cost recognised in total comprehensive income</b>	<b>62.97</b>	<b>42.28</b>

### Details of defined benefit obligations:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Defined benefit obligation	283.54	243.42
Fair value of plan assets	18.82	11.04
<b>Net defined benefit obligation</b>	<b>264.72</b>	<b>232.38</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 24. Employee benefits expense (Contd.)

Changes in the defined benefit obligation are as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Opening defined benefit obligation	243.42	226.26
Service cost	39.93	37.24
Interest cost	16.77	13.17
Benefits paid	(25.96)	(23.90)
Actuarial (gains) / losses on obligation	9.38	(9.35)
<b>Closing defined benefit obligation</b>	<b>283.54</b>	<b>243.42</b>

Changes in the fair value of plan assets are as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Opening fair value of plan assets	11.04	22.59
Expected return	0.82	1.41
Contributions by the employer	30.63	13.57
Benefits paid	(25.96)	(23.90)
Actuarial gains / (losses) on plan assets	2.29	(2.63)
<b>Closing fair value of plan assets</b>	<b>18.82</b>	<b>11.04</b>

Amounts recognised in other comprehensive income (OCI):

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Actuarial (gain) / loss due to change in demographic assumption of defined benefit obligation	-	-
Actuarial (gain) / loss due to change in financial assumption of defined benefit obligation	3.16	(19.81)
Actuarial (gain) / loss from change in experience adjustment of defined benefit obligation	6.22	10.46
Return on plan assets (greater) / less than discount rate	(2.29)	2.63
<b>Re-measurement loss / (gain) recognised in OCI</b>	<b>7.09</b>	<b>(6.72)</b>

### Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary increment rate is given below:

(₹ in million)

Defined Benefit Obligation	As at December 31, 2023	As at December 31, 2022
<b>Discount rate</b>		
a. Discount rate - 100 basis points	303.57	260.33
b. Discount rate + 100 basis points	265.84	228.49
<b>Salary increment rate</b>		
a. Rate - 100 basis points	268.03	230.18
b. Rate + 100 basis points	299.79	257.41

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 24. Employee benefits expense (Contd.)

### Maturity Profile of Defined Benefit Obligation

(₹ in million)

Expected Future Cash flows (undiscounted)	As at December 31, 2023	As at December 31, 2022
Year 1	37.51	35.47
Year 2	32.88	27.76
Year 3	33.62	27.09
Year 4	29.54	28.63
Year 5	24.28	23.21
Year 6 to10	112.79	89.82
Year 10 +	244.90	215.16

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at December 31, 2023	As at December 31, 2022
Investments with Life Insurance Corporation of India	100%	100%

The principal assumptions used in determining defined benefit obligation are shown below:

#### (A) Financial Assumptions

Particulars	As at December 31, 2023	As at December 31, 2022
Discount rate	7.26%	7.43%
Salary Increment rate	First year 10%, thereafter 7%	First year 10%, thereafter 7%

#### (B) Demographic Assumptions

Particulars	As at December 31, 2023	As at December 31, 2022
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	Upto Age 30 Yrs. -35%	Upto Age 30 Yrs. - 35%
	Above 30 to 34 Yrs. -25%	Above 30 to 34 Yrs. -25%
	Above 34 to 44 Yrs. -18%	Above 34 to 44 Yrs. -18%
	Above 44 to 50 Yrs. -7%	Above 44 to 50 Yrs. -7%
	Above 50 to 54 Yrs. -5%	Above 50 to 54 Yrs. -5%
	Above Age 54 Yrs. -1%	Above Age 54 Yrs. -1%
Retirement age	60 Yrs.	60 Yrs.

## 25. Finance costs

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense on borrowings	24.25	1.16
Interest expense on lease liabilities (refer to Note 14)	56.47	41.40
Interest expense under income tax	0.46	0.08
	<b>81.18</b>	<b>42.64</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 26. Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Depreciation of property, plant and equipment	188.52	155.23
Depreciation on investment property	1.47	1.47
Depreciation on right-of-use assets	46.30	36.56
Amortisation of intangible assets	3.66	2.57
	<b>239.95</b>	<b>195.83</b>

## 27. Other expenses

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Power and fuel	34.02	33.35
Rent - premises	29.69	30.76
Software subscription charges	171.36	138.62
Repair and maintenance	53.75	53.45
Commission	4.66	7.62
Travelling and conveyance	171.91	128.32
Communication costs	81.13	95.05
Legal and professional fees (including subcontracting expenses)	358.42	302.15
Auditors' remuneration (refer detail below)	6.87	6.30
Foreign exchange fluctuation (net)	-	47.77
Provision for doubtful debts (net)	68.87	46.72
Loss on sale / discard of property, plant and equipment (net)	0.10	-
Contribution towards corporate social responsibility (refer detail below)	23.27	17.60
Miscellaneous expenses	223.82	189.06
	<b>1,227.87</b>	<b>1,096.77</b>

### (i) Detail of auditors remuneration

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
As auditor of the Company:		
- Statutory audit fee	2.40	2.26
- Quarterly audit / limited review fee	3.30	3.06
- Certification	0.45	0.60
- Out-of-pocket expenses	0.72	0.38
	<b>6.87</b>	<b>6.30</b>

### (ii) Contribution towards corporate social responsibility (CSR)

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Amount required to be spent by the Company during the year	23.27	17.59
Amount spend by the Company during the year	23.27	17.60
Shortfall at the end of the year	-	-

#### Nature of CSR activities:

The Company has spend on the following projects/initiatives:

- Promotion and training of nationally recognised sports and Olympic sports
- Promoting and imparting education including special education, skill development etc.
- Providing support for orphans and disabled children
- Women skill empowerment and skill development
- Environmental sustainability
- Research, Development and Education in the area of science and technology

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 28. Income tax

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>Current income tax</b>		
In respect of the current year	487.69	309.01
In respect of the prior periods	(2.09)	(12.46)
<b>Deferred tax credit</b>	(38.29)	(83.17)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>447.31</b>	<b>213.38</b>
<b>Income tax recognised in other comprehensive income</b>		
Deferred tax relating to re-measurements of the defined benefit plans	(2.48)	2.35
	<b>444.83</b>	<b>215.73</b>

The reconciliation between the provision of income tax of the Company and amount computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Profit before tax	2,181.88	1,340.49
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	762.44	468.42
<b>Tax effect of:</b>		
Income exempt from tax	(337.44)	(267.31)
Temporary differences reversing during the tax holiday period	(3.41)	29.55
Expenses that are not deductible in determining taxable profit	20.62	2.90
True-up of tax provisions related to previous years	(2.09)	(12.46)
Income chargeable at different tax rate	(2.09)	(6.18)
Branch operating in other tax jurisdiction	8.20	-
Others	1.08	(1.54)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>447.31</b>	<b>213.38</b>

### Deferred tax

Deferred tax assets / (liabilities) as at December 31, 2023 in relation to:

(₹ in million)

Particulars	As at January 01, 2023	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	As at December 31, 2023
Property, plant and equipment and Intangible assets	(30.72)	5.50	-	-	(25.22)
Right-of-use assets and lease liabilities	30.50	15.70	-	-	46.20
Provision for doubtful debts	6.19	9.35	-	-	15.54
Provision for gratuity	81.21	8.82	2.48	-	92.51
Other employee benefits	68.52	12.22	-	-	80.74
Mark-to-market loss/ (gain) on derivative instruments	21.11	(23.29)	-	-	(2.18)
Net gain arising on financial assets measured at FVTPL	(2.01)	2.01	-	-	-
MAT credit entitlement	0.23	7.98	-	4.42	12.63
<b>Total</b>	<b>175.03</b>	<b>38.29</b>	<b>2.48</b>	<b>4.42</b>	<b>220.22</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 28. Income tax (Contd.)

Deferred tax assets / (liabilities) as at December 31, 2022 in relation to:

(₹ in million)

Particulars	As at January 01, 2022	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	As at December 31, 2022
Property, plant and equipment and Intangible assets	(23.46)	(7.26)	-	-	(30.72)
Right-of-use assets and lease liabilities	19.97	10.53	-	-	30.50
Provision for doubtful debts	1.40	4.79	-	-	6.19
Provision for gratuity	71.16	12.40	(2.35)	-	81.21
Other employee benefits	56.46	12.06	-	-	68.52
Mark-to-market loss/ (gain) on derivative instruments	(14.26)	35.37	-	-	21.11
Net gain arising on financial assets measured at FVTPL	(7.77)	5.76	-	-	(2.01)
MAT credit entitlement	28.96	9.52	-	(38.25)	0.23
<b>Total</b>	<b>132.46</b>	<b>83.17</b>	<b>(2.35)</b>	<b>(38.25)</b>	<b>175.03</b>

The Company has two units at Greater Noida registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

A portion of the profits of the Company's operations are exempt from income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the "Special Economic Zones Act, 2005", units in designated SEZ providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for the next five years. The tax benefits are also available for a further five years post initial ten years subject to the unit meeting defined conditions.

## 29. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. The Company did not have any potentially dilutive securities in any of the years presented.

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Net profit after tax (₹ in million)	1,734.57	1,127.11
Weighted average number of equity shares for calculating Basic and Diluted EPS	11,83,03,445	11,83,03,445
Earnings per share (Equity share of par value of ₹ 1/- each)		
Basic and Diluted (₹)	14.66	9.53

## 30. Financial instruments

The carrying values and fair values of financial instruments by categories are as follows:

(₹ in million)

Particulars	Note reference	Basis of measurement	As at December 31, 2023		As at December 31, 2022		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
<b>Assets</b>							
Investments in subsidiaries	4	At cost	3,727.55	3,727.55	1,033.81	1,033.81	
Investments in other equity instruments	4	FVTPL	0.03	0.03	0.03	0.03	Level 3
Investments in mutual funds	4	FVTPL	-	-	138.65	138.65	Level 1
Trade receivables	7	Amortised cost	1,031.33	1,031.33	1,178.70	1,178.70	
Cash and cash equivalents	8a	Amortised cost	194.56	194.56	825.70	825.70	
Other bank balances	8b	Amortised cost	940.41	940.41	4.66	4.66	
Mark-to-market gain on derivative instruments	9	FVTPL	9.86	9.86	-	-	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	623.03	623.03	792.62	792.62	
<b>Total</b>			<b>6,526.77</b>	<b>6,526.77</b>	<b>3,974.17</b>	<b>3,974.17</b>	



# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 30. Financial instruments (Contd.)

(₹ in million)

Particulars	Note reference	Basis of measurement	As at December 31, 2023		As at December 31, 2022		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
<b>Liabilities</b>							
Borrowings	13, 17	Amortised cost	579.18	579.18	20.44	20.44	
Lease liabilities	14	Amortised cost	571.48	571.48	589.80	589.80	
Trade payables	18	Amortised cost	109.98	109.98	67.60	67.60	
Mark-to-market loss on derivative instruments	19	FVTPL	-	-	98.06	98.06	Level 2
Other financial liabilities (Other than derivative instruments)	15,19	Amortised cost	1,127.59	1,127.59	357.96	357.96	
<b>Total</b>			<b>2,388.23</b>	<b>2,388.23</b>	<b>1,133.86</b>	<b>1,133.86</b>	

### Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

## 31. Financial risk management

### Financial risk factors and risk management objectives

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

### Market risk

The primary market risk to the Company is foreign exchange risk and interest rate risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by team that has the appropriate skills, experience coupled with appropriate supervision. It is the Company's policy that no trading in derivative for speculative purposes shall be undertaken.

#### Foreign currency risk

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars). A significant portion of the Company's revenues are in foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Rupees may decrease or vice versa.

#### Derivative financial instruments

The Company holds foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has not applied hedge accounting as these forward contracts do not qualify for hedge accounting. As at December 31, 2023, the Company has recognised mark-to-market asset of ₹ 9.86 million (previous year: mark-to-market liability of ₹ 98.06 million) relating to aforesaid foreign currency forward contracts

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 31. Financial risk management (Contd.)

resulting in to mark-to-market gain of ₹ 107.92 million (previous year loss of ₹ 149.87 million) for the year ended December 31, 2023 recorded as foreign exchange fluctuation.

The following table gives details in respect of outstanding foreign currency forward contracts:

Particulars	As at December 31, 2023	As at December 31, 2022
<b>USD</b>		
Foreign currency (million)	36.70	42.20
Average rate	84.12	81.39
Rupees (million)	3,087.14	3,434.56
<b>EURO</b>		
Foreign currency (million)	2.70	2.40
Average rate	93.38	88.87
Rupees (million)	252.12	213.29

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of December 31, 2023 and December 31, 2022:

(₹ in million)

As at December 31, 2023	Designated in foreign currency				Total
	USD	EURO	CAD	Others <sup>#</sup>	
Trade receivables	998.85	41.17	37.81	33.37	1,111.20
Other financial assets	1.48	-	-	1.72	3.20
Cash and cash equivalents	162.89	7.19	3.91	1.64	175.63
Trade and other payable	123.45	5.32	31.46	-	160.23

(₹ in million)

As at December 31, 2022	Designated in foreign currency				Total
	USD	EURO	CAD	Others <sup>#</sup>	
Trade receivables	1,045.03	64.09	43.20	28.99	1,181.31
Other financial assets	18.61	-	-	1.67	20.28
Cash and cash equivalents	268.20	14.28	1.98	0.16	284.62
Trade and other payable	69.40	-	31.72	10.13	111.25

<sup>#</sup> Others include currencies such as SGD and GBP.

### Foreign currency sensitivity analysis

For the year ended December 31, 2023 and December 31, 2022, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Company's profit before tax margin by approximately 1.00% and 1.74%, respectively.

### Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company cash flows as well as costs. The Company has availed floating rate borrowings in the form of working capital demand loan and cash credit facility. For the year ended December 31, 2023, every one percentage increase / decrease in interest rates, would result in decrease / increase Company's profit before tax margin by approximately 0.25%. There were no floating rate borrowings in the previous year.

### 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 investment securities. Credit risk arises from deposits held with banks, investments with financial institutions, as well as credit exposure to clients. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 31. Financial risk management (Contd.)

### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
Revenue from top customer	508.65	312.09
Revenue from top 5 customers	1,698.75	1,296.28

No customer accounted for more than 10% of the revenue for the year ended December 31, 2023 and December 31, 2022. Further, no customer accounted for more than 10% of the receivable as at December 31, 2023 and December 31, 2022.

### Investments including bank deposits

Credit risk on bank balances is limited as the Company generally invests in deposits with banks. The Company does not expect any losses from non-performance by the counterparties.

### Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

As at December 31, 2023, the Company had a working capital of ₹ 608.86 million including cash and cash equivalents and current fixed deposits of ₹ 440.72 million. As at December 31, 2022, the Company had a working capital of ₹ 2,210.52 million including cash and cash equivalents and current fixed deposits of ₹ 1,059.92 million and current investments of ₹ 138.65 million. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities:

(₹ in million)

Particulars	As at December 31, 2023					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Borrowings	564.18	9.81	5.85	3.04	-	<b>582.88</b>
Lease liabilities	71.27	78.62	78.87	164.90	585.70	<b>979.36</b>
Trade payables	109.98	-	-	-	-	<b>109.98</b>
Other financial liabilities	1,115.58	12.01	-	-	-	<b>1,127.59</b>
<b>Total</b>	<b>1,861.01</b>	<b>100.44</b>	<b>84.72</b>	<b>167.94</b>	<b>585.70</b>	<b>2,799.81</b>

(₹ in million)

Particulars	As at December 31, 2022					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Borrowings	8.61	7.34	4.58	2.63	-	<b>23.16</b>
Lease liabilities	69.83	76.40	78.62	160.06	669.40	<b>1,054.31</b>
Trade payables	67.60	-	-	-	-	<b>67.60</b>
Other financial liabilities	447.26	8.76	-	-	-	<b>456.02</b>
<b>Total</b>	<b>593.30</b>	<b>92.50</b>	<b>83.20</b>	<b>162.69</b>	<b>669.40</b>	<b>1,601.09</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 32. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective, when managing capital, is to maintain an optimal structure so as to maximise shareholder value. The capital structure is as follows:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Total equity attributable to the equity share holders of the Company</b>	<b>4,827.65</b>	<b>3,902.15</b>
<b>As percentage of total capital</b>	<b>80.75%</b>	<b>86.48%</b>
Term loans for motor vehicles (including current maturities)	27.58	20.44
Working capital loans from banks	551.60	-
Lease liabilities (including current maturities)	571.48	589.80
<b>Total borrowings and lease liabilities</b>	<b>1,150.66</b>	<b>610.24</b>
<b>As percentage of total capital</b>	<b>19.25%</b>	<b>13.52%</b>
<b>Total capital (equity, borrowings and lease liabilities)</b>	<b>5,978.31</b>	<b>4,512.39</b>

## 33. Analytical Ratios

Ratio/Measure	Numerator	Denominator	Year ended December 31, 2023	Year ended December 31, 2022	% Variance	Reason for variance
a. Current Ratio (times)	Current assets	Current liabilities	1.25	3.37	-62.80%	Due to increase in short-term borrowings
b. Debt-Equity Ratio (%)	Total Debt (borrowings + lease liabilities)	Shareholders' equity	23.83%	15.64%	52.41%	Due to increase in short-term borrowings
c. Debt Service Coverage Ratio (times)	Earnings available for debt service <sup>1</sup>	Debt service <sup>2</sup>	23.01	32.46	-29.13%	Due to increase in debt service cost on account of increase in interest expense and lease payments
d. Return on Equity Ratio (%)	Profit for the year	Average shareholders' equity	39.74%	30.29%	31.19%	Profit for the year increased on account of dividend received from subsidiary company
e. Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivable	8.18	8.07	1.40%	
f. Trade payables turnover ratio (times)	Total purchases <sup>3</sup>	Average trade payables	13.99	16.02	-12.68%	
g. Net capital turnover ratio (times)	Revenue from operations	Average working capital	15.32	9.28	65.04%	Decline in average working capital due to increase in short-term borrowings
h. Net profit ratio (%)	Profit for the year	Revenue from operations	19.19%	13.85%	38.57%	Profit for the year increased on account of dividend received from subsidiary company
i. Return on Capital employed (%)	Earning before interest and taxes	Capital employed <sup>4</sup>	37.85%	30.65%	23.48%	
j. Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Weighted average investments <sup>5</sup>	5.87%	4.16%	41.10%	Mainly on account of higher interest rate on investments.

### Notes:

- Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses
- Debt service = Interest & Lease Payments + Principal Repayments
- Total purchases = Other expenses - CSR - Provision for doubtful debts - Loss on sale/discard of property, plant and equipment + staff welfare expenses
- Capital Employed = Shareholders' equity + Total Debt
- Weighted average investment is the weighted average of amount invested in fixed deposits and mutual funds.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 34. Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided. The CODM has identified the following as its reportable segments.

- Information technology services
- Business process outsourcing services (knowledge service)

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities of the Company are used interchangeably between segments and the CODM does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.

Geographic segments are based on the areas in which the major customers of the Company operate. Although the Company's major operating divisions are managed on a worldwide basis, they operate in four principal geographical areas of the world which are: India, North America, South East Asian countries and Europe.

The following table provides required information for reportable segments for the year ended December 31, 2023 and December 31, 2022:

(₹ in million)

Particulars	Information technology services		Business process outsourcing services		Corporate and others		Total	
	Year ended							
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>REVENUE</b>								
External sales	7,255.31	6,930.61	1,783.56	1,208.29			9,038.87	8,138.90
<b>Total revenue</b>	<b>7,255.31</b>	<b>6,930.61</b>	<b>1,783.56</b>	<b>1,208.29</b>			<b>9,038.87</b>	<b>8,138.90</b>
<b>RESULTS</b>								
Segment results	1,098.85	1,105.86	780.57	358.01			1,879.42	1,463.87
Unallocated corporate expenses					(255.61)	(132.37)	(255.61)	(132.37)
<b>Operating profit</b>							<b>1,623.81</b>	<b>1,331.50</b>
Finance costs					(81.18)	(42.64)	(81.18)	(42.64)
Interest income					54.02	34.96	54.02	34.96
Other unallocable income (refer Note 36)					585.24	16.67	585.24	16.67
Tax expense					(447.31)	(213.38)	(447.31)	(213.38)
<b>Net profit after tax</b>							<b>1,734.57</b>	<b>1,127.11</b>
<b>Other segment Information</b>								
Depreciation and amortisation	227.34	186.59	11.14	7.77	1.47	1.47	<b>239.95</b>	<b>195.83</b>

Refer to Note 22 for geography-wise revenue.

Refer to Note 31 on financial risk management for information on revenue from major customers.

## 35. Related Party Disclosure

- Names of related parties:

Ultimate holding company	BCP Asia II Holdco II Pte. Ltd. (w.e.f. May 10, 2023)
Holding company	BCP Asia II TOPCO II Pte. Ltd. (w.e.f. May 10, 2023)
Subsidiaries	<ul style="list-style-type: none"> <li>• R Systems (Singapore) Pte Ltd, Singapore</li> <li>• R Systems, Inc., USA</li> <li>• R Systems Technologies Limited, USA</li> <li>• R Systems Consulting Services Limited, Singapore</li> <li>• R Systems Computaris International Limited, UK</li> <li>• RSYS Technologies Limited, Canada</li> <li>• IBIZ Consultancy Services India Private Limited, India (liquidated on April 24, 2023) (refer to Note 37b)</li> <li>• Velotio Technologies Private Limited, India (acquired w.e.f. July 03, 2023) (refer to Note 4) <ul style="list-style-type: none"> <li>- Scaleworx Technologies Private Limited, India (w.e.f. December 01, 2023) (refer to Note 4)</li> </ul> </li> </ul>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 35. Related Party Disclosure (Contd.)

### Following are the subsidiaries of R Systems Consulting Services Ltd, Singapore:

- R Systems Consulting Services (M) Sdn. Bhd., Malaysia
- R Systems Consulting Services (Thailand) Co., Ltd., Thailand
- R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China
- R Systems Consulting Services (Hong Kong) Limited, Hong Kong
- R Systems Consulting Services Kabushiki Kaisha, Japan
- R Systems Consulting Services Company Limited, Vietnam (incorporated on October 17, 2022)

### Following are the subsidiaries of R Systems Computaris International Limited, UK:

- R Systems Computaris Europe S.R.L., Romania
- R Systems Computaris Poland sp z o.o, Poland
- R Systems Computaris S.R.L., Moldova
- R Systems Computaris Malaysia Sdn. Bhd., Malaysia
- R Systems Computaris Philippines Pte. Ltd. Inc., Philippines
- R Systems Computaris Suisse Sàrl, Switzerland

### Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore:

- R Systems IBIZCS Pte. Ltd., Singapore with the following step down subsidiaries:
  - IBIZ Consulting Services Pte Ltd, Singapore (strike off w.e.f. January 08, 2024)
  - R Systems IBIZCS Sdn. Bhd., Malaysia
  - PT RSYSTEMS IBIZCS International, Indonesia
  - IBIZ Consulting (Thailand) Co. Ltd, Thailand
  - IBIZ Consulting Services Limited, Hong Kong (IBIZ HK)
    - IBIZ Consulting Services (Shanghai) Co., Ltd, People's Republic of China (wholly owned subsidiary of IBIZ HK)

Names of other related parties with whom transactions have taken place during the year ended December 2023:

Key management personnel	a. Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer (resigned w.e.f. May 10, 2023) b. Nitesh Bansal, Managing Director & Chief Executive Officer (appointed w.e.f. May 30, 2023) c. Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director (ceased to be director and key management personnel w.e.f. May 10, 2023) d. Avirag Jain, Director & Chief Technology Officer (ceased to be director and key management personnel w.e.f. May 10, 2023) e. Ruchica Gupta, Chairperson & Non-Executive Independent Director f. Kapil Dhameja, Non-Executive Independent Director g. Aditya Wadhwa, Non-Executive Independent Director h. Mukesh Mehta, Non-Executive Director (appointed w.e.f. May 10, 2023) i. Amit Dalmia, Non-Executive Director (appointed w.e.f. May 10, 2023) j. Animesh Agarwal, Non-Executive Director (appointed w.e.f. May 10, 2023) k. Nand Sardana, Chief Financial Officer l. Bhasker Dubey, Company Secretary & Compliance Officer
Close family members of key management personnel	a. Ramneet Singh Rekhi, (related to Dr. Satinder Singh Rekhi) President – R Systems (ceased to be related party w.e.f. May 10, 2023) b. Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Chief Operating Officer – R Systems USA Operations (ceased to be related party w.e.f. May 10, 2023) c. Kuldeep Baldev Singh [related to Lt. Gen. Baldev Singh (Retd.)] (ceased to be related party w.e.f. May 10, 2023) d. Harpreet Rekhi, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023) e. Sartaj Singh Rekhi, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023) f. Amrita Rekhi, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023) g. Anita Behl, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023)
Other forming part of promoter or promoter group (not specified above)	a. The Satinder and Harpreet Rekhi Family Trust, USA (ceased to be related party w.e.f. May 10, 2023) b. Jagmohan Singh Walia (ceased to be related party w.e.f. May 10, 2023)
Person having shareholding of 20% or more, directly or indirectly (not specified above)	a. Bhavook Tripathi

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 35. Related Party Disclosure (Contd.)

(ii) Details of transactions with related parties for the year ended December 31, 2023 and December 31, 2022:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>Revenue from information technology and BPO services rendered to</b>		
R Systems Consulting Services Limited, Singapore	52.86	46.91
R Systems, Inc., USA	109.85	53.55
RSYS Technologies Limited, Canada	148.11	152.11
R Systems (Singapore) Pte Ltd, Singapore	42.85	38.00
R Systems Computaris International Limited, UK	2.00	3.47
R Systems Computaris Europe SRL, Romania	95.99	98.71
R Systems IBIZCS Pte. Ltd., Singapore	43.74	29.01
PT RSYSTEMS IBIZCS International, Indonesia	8.52	6.77
R Systems Consulting Services (Thailand) Co. Ltd., Thailand	0.02	2.43
R Systems IBIZCS SDN. BHD., Malaysia	1.78	-
Velotio Technologies Private Limited, India	0.10	-
<b>Total</b>	<b>505.82</b>	<b>430.96</b>
<b>Information technology services received from</b>		
Velotio Technologies Private Limited, India	8.65	-
<b>Total</b>	<b>8.65</b>	<b>-</b>
<b>Sales and support services received from</b>		
RSYS Technologies Limited, Canada	119.87	87.12
R Systems Computaris International Limited, UK	22.16	19.00
R Systems, Inc., USA	0.75	-
<b>Total</b>	<b>142.78</b>	<b>106.12</b>
<b>Rent paid by the Company to</b>		
Dr. Satinder Singh Rekhi and Harpreet Rekhi	3.52	9.28
Velotio Technologies Private Limited, India	1.79	-
<b>Total</b>	<b>5.31</b>	<b>9.28</b>
<b>Travel and other expenses reimbursed by the Company to</b>		
RSYS Technologies Limited, Canada	6.61	5.45
R Systems, Inc., USA	52.35	35.17
R Systems (Singapore) Pte. Ltd, Singapore	17.41	10.04
R Systems Computaris International Limited, UK	0.42	0.28
Velotio Technologies Private Limited, India	0.52	-
<b>Total</b>	<b>77.31</b>	<b>50.94</b>
<b>Travel and other expenses reimbursed to the Company by</b>		
R Systems Consulting Services Limited, Singapore	4.00	4.07
R Systems, Inc., USA	3.98	6.51
R Systems (Singapore) Pte. Ltd, Singapore	0.36	0.37
RSYS Technologies Limited, Canada	0.49	0.46
R Systems IBIZCS Pte. Ltd., Singapore	0.45	0.25
R Systems Computaris International Limited, UK	12.91	11.88
R Systems Computaris Europe S.R.L., Romania	0.17	0.24
Velotio Technologies Private Limited, India	1.26	-
<b>Total</b>	<b>23.62</b>	<b>23.78</b>
<b>Purchase of Plant, Property &amp; Equipment from</b>		
IBIZ Consultancy Services India Private Limited, India	-	0.26
<b>Total</b>	<b>-</b>	<b>0.26</b>
<b>Reimbursement by the Company for purchase of assets to</b>		
R Systems, Inc., USA	0.03	0.54
<b>Total</b>	<b>0.03</b>	<b>0.54</b>
<b>Dividend received from subsidiaries (refer to Note 36)</b>		
IBIZ Consultancy Services India Private Limited, India	-	3.40
R Systems, Inc., USA	573.90	-
<b>Total</b>	<b>573.90</b>	<b>3.40</b>
<b>Remuneration</b>		
Short term employee benefits	168.58	203.03
Post-employment benefits	0.35	0.15
Other long-term employee benefits	5.24	0.53
Sitting fee to independent directors	1.65	1.19
<b>Total</b>	<b>175.82</b>	<b>204.90</b>

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 35. Related Party Disclosure (Contd.)

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>Dividend Paid (refer to Note 37a)</b>		
The Satinder and Harpreet Rekhi Family Trust, USA	-	76.07
Sartaj Singh Rekhi	-	121.40
Ramneet Singh Rekhi	-	105.54
Dr. Satinder Singh Rekhi	-	48.12
Mandeep Singh Sodhi	-	3.09
Lt. Gen. Baldev Singh (Retd.)	-	0.05
Kuldeep Baldev Singh	-	2.42
Anita Behl	-	2.39
Harpreet Rekhi	-	33.15
Amrita Rekhi	-	0.00*
Nand Sardana	-	1.27
Avirag Jain	-	0.00*
Jagmohan Singh Walia	-	8.27
Bhavook Tripathi	-	284.96
<b>Total</b>	<b>-</b>	<b>686.73</b>
<b>Amount received from subsidiary under liquidation</b>		
IBIZ Consultancy Services India Private Limited, India	-	0.62
<b>Total</b>	<b>-</b>	<b>0.62</b>

\*Dividend paid to: (a) Amrita Rekhi ₹ 650; (b) Avirag Jain ₹ 650.

(iii) Outstanding balances of related parties as at December 31, 2023 and December 31, 2022:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Trade receivables</b>		
R Systems Consulting Services Limited, Singapore	13.58	12.35
R Systems, Inc., USA	18.57	5.44
RSYS Technologies Limited, Canada	45.41	19.24
R Systems (Singapore) Pte Ltd, Singapore	10.24	13.82
R Systems Computaris Europe SRL, Romania	7.47	8.78
R Systems Computaris International Limited, UK	0.16	0.36
PT. RSYSTEMS IBIZCS International, Indonesia	1.37	0.52
R Systems IBIZCS Pte. Ltd., Singapore	6.40	-
R Systems IBIZCS SDN. BHD., Malaysia	1.83	-
<b>Total</b>	<b>105.03</b>	<b>60.51</b>
<b>Other current financial assets</b>		
R Systems Consulting Services Limited, Singapore	-	3.81
R Systems, Inc., USA	14.83	18.85
RSYS Technologies Limited, Canada	1.62	6.91
R Systems (Singapore) Pte. Ltd., Singapore	1.65	3.51
R Systems Computaris Europe SRL, Romania	5.65	7.80
R Systems Computaris International Limited, UK	0.07	0.38
R Systems IBIZCS Pte. Ltd., Singapore	-	2.61
PT. RSYSTEMS IBIZCS International, Indonesia	-	0.52
Velotio Technologies Private Limited, India	0.10	-
<b>Total</b>	<b>23.92</b>	<b>44.39</b>
<b>Other current assets</b>		
R Systems Consulting Services (Thailand) Co. Ltd., Thailand	-	2.43
R Systems Consulting Services Limited, Singapore	0.38	-
R Systems, Inc., USA	1.86	-
<b>Total</b>	<b>2.24</b>	<b>2.43</b>



# Notes

to Standalone Financial Statements for the year ended December 31, 2023

## 35. Related Party Disclosure (Contd.)

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Current financial liabilities</b>		
R Systems Consulting Services Limited, Singapore	-	0.04
R Systems, Inc., USA	11.35	12.81
R Systems (Singapore) Pte Ltd, Singapore	-	3.57
RSYS Technologies Limited, Canada	31.46	31.72
R Systems Computaris International Limited, UK	5.32	6.52
Velotio Technologies Private Limited, India	2.74	-
<b>Total</b>	<b>50.87</b>	<b>54.66</b>
<b>Other current liabilities</b>		
RSYS Technologies Limited, Canada	0.93	-
<b>Total</b>	<b>0.93</b>	<b>-</b>
<b>Assets obtained free of cost on returnable basis</b>		
R Systems, Inc., USA	-	0.21
<b>Total</b>	<b>-</b>	<b>0.21</b>
<b>Balance payable to key management personnel</b>		
Dr. Satinder Singh Rekhi	-	21.73
Nitesh Bansal	30.15	-
Lt. Gen. Baldev Singh (Retd.)	-	2.00
Avirag Jain	-	2.90
Nand Sardana	2.62	2.40
<b>Total</b>	<b>32.77</b>	<b>29.03</b>

The amount outstanding are unsecured and will be settled in cash. No guarantee has been given or received.

36. During the year ended December 31, 2023, the Company has recognised dividend income from its wholly-owned subsidiary amounting to ₹ 573.90 million. The Company had also received dividend from its erstwhile wholly-owned subsidiary amounting to ₹ 3.40 million during the year ended December 31, 2022.

The aforesaid dividend is recorded under "Other Income".

## 37. Other corporate matters:

- a. The Board of Directors at its meeting held on December 13, 2023 has declared an interim dividend of ₹ 6.80/- per equity share of face value of ₹ 1/- each aggregating to ₹ 804.46 million. As at December 31, 2023, the Company has transferred the interim dividend amount to a separate bank account. Subsequent to the year ended December 31, 2023, the aforesaid interim dividend has been paid on January 09, 2024.

During the year ended December 31, 2022, the company paid interim dividend of ₹ 6.50/- per equity share of face value of ₹ 1/- each aggregating to ₹ 768.97 million.

- b. During the previous year, IBIZ Consultancy Services India Private Limited (IBIZ India), wholly owned subsidiary of R Systems International Limited (the "Company"), has gone into voluntary liquidation under Section 59 of Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation) Regulations, 2017. Being the sole shareholder of IBIZ India, the Company had received final proceeds amounting to ₹ 0.62 million during the year ended December 31, 2022. This amount is adjusted against the investment amount of ₹ 0.47 million and the balance amount is recorded as other income.

Hon'ble National Company Law Tribunal, New Delhi ("NCLT"), vide its order dated April 24, 2023, has allowed the application for dissolution of IBIZ India filed by its Liquidator on completion of Voluntary Liquidation of IBIZ India under Section 59 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. As per aforesaid NCLT order, IBIZ India has been dissolved w.e.f. April 24, 2023.

# Notes

to Standalone Financial Statements for the year ended December 31, 2023

38. Computation of net profit under Section 198 of the Companies Act, 2013 for calculation of managerial remuneration under Section 197 of the Companies Act, 2013

		(₹ in million)	
S. No.	Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>A</b>	<b>Total comprehensive income</b>	<b>1,729.96</b>	<b>1,131.48</b>
<b>B</b>	<b>Add:</b>		
(i)	Loss on sale / discarding of property, plant and equipment (net)	0.10	-
(ii)	Provision for doubtful debts (net)	68.87	46.72
(iii)	Deficit in profit and loss on measurement of assets / liabilities at fair value (net)	-	120.16
(iv)	Tax expense (including tax relating to re-measurements of the defined benefit plans)	444.83	215.72
(v)	Depreciation and amortisation expense	239.95	195.84
		<b>753.75</b>	<b>578.44</b>
<b>C</b>	<b>Less:</b>		
(i)	Profit on sale of property, plant and equipment (net)	-	1.13
(ii)	Depreciation and amortisation expense	239.95	195.84
(iii)	Bad debts written off	10.60	6.60
(iv)	Gain on liquidation of subsidiary	-	0.15
(v)	Interest income on financial instruments measured at amortised cost	1.50	1.03
(vi)	Surplus in profit and loss on measurement of assets / liabilities at fair value (net)	98.05	-
(vii)	Net gain on disposal / fair valuation of investments	4.62	-
		<b>354.72</b>	<b>204.75</b>
	<b>Net Profit for the year (A+B-C)</b>	<b>2,128.99</b>	<b>1,505.17</b>
<b>D</b>	<b>Add:</b>		
	Remuneration paid to the whole-time directors	113.62	86.36
<b>E</b>	<b>Net Profit for the purpose of managerial remuneration</b>	<b>2,242.61</b>	<b>1,591.53</b>
	Overall maximum remuneration to all managerial personnel at 10% of the net profits as calculated above	224.26	159.15
	Overall maximum remuneration to individual managerial personnel at 5% of the net profits as calculated above	112.13	79.58

39. The standalone financial statements have been approved by the Board of Directors at its meeting held on February 15, 2024.

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**

Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**

Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**

Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**

Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

**CONSOLIDATED**



**FINANCIAL**

**STATEMENTS**

# Independent Auditors' Report

To The Members of **R Systems International Limited**  
**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of **R Systems International Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associate, which comprise the Consolidated Balance Sheet as at 31 December, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters section below the aforesaid consolidated 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 31 December, 2023, 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 for Opinion

We conducted our audit of the consolidated 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and of its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>The Company has completed a business combination during the year.</p> <p>Ind AS 103 – Business Combinations, requires that consideration be given to the existence and measurement of separable identifiable intangible assets that have been acquired as part of each business combination. A significant proportion of the purchase price has been attributed to goodwill and other identified intangible assets, the valuation of which is dependent on cash flow forecasts including future business growth and the application of an appropriate discount rate, which are inherently subjective and therefore an area of focus for audit.</p>	<p>Our audit procedures on accounting for business combinations include the following:</p> <ul style="list-style-type: none"> <li>Evaluated the design and implementation of the processes and internal controls relating to accounting for the business combination;</li> <li>Obtained the cash flow forecasts supporting the valuation of the intangible assets identified and assessed if these are reasonable;</li> <li>We along with our valuation specialists evaluated the reasonableness of methodology and key assumptions used by management along with their external valuers to value each intangible asset. We also evaluated the objectivity and competency of the specialist engaged by the Company;</li> <li>Evaluated the appropriateness of the disclosures in the financial statements and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Parent's annual report but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information when it becomes available and, compare with the financial statements of the subsidiaries and associate, 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the

respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial 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 consolidated 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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial 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 financial statements, including the disclosures, and whether the consolidated 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 branch and entities within the Group and of its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branch and entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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

We did not audit the financial statements of 25 subsidiaries whose financial statements reflect total assets of ₹ 2,788.81 million as at 31 December, 2023, total revenues of ₹ 5,182.52 million, total net profit after tax of ₹ 191.74 million, total comprehensive income of ₹ 204.83 million and net cash inflows of ₹ 208.8 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also

include the Group's share of net loss after tax of ₹ 5.04 million for the year ended 31 December 2023, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated 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

1. 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 financial statements of the subsidiaries and associate referred to in the Other Matters section above 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 purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 Flows 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 financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent and its subsidiary companies incorporated in India as on 31 December, 2023 taken on record by the Board of Directors of the Parent and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 December, 2023 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

which is based on the auditors' reports of the Parent and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements 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 and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) There were no pending litigations which would impact the consolidated financial position of the Group.

ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

iv) (a) The respective Managements of the Parent and its subsidiaries incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their 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 Parent to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), 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 Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best

of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or 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.

v) The interim dividend declared and paid by the Parent during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for financial year beginning on or after April 1, 2023 to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 December, 2023.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of subsidiary company included in the consolidated financial statements, to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by auditors of subsidiary company in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Jitendra Agarwal**

Partner

(Membership No.87104)

UDIN: 24087104BKCUCD8531

Place: Noida

Date: 15 February, 2024



## Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Parent as of and for the year ended 31 December, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on “the internal control with reference to consolidated 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.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls

with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 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 company, which is company 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 financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

#### **Meaning of Internal Financial Controls with reference to consolidated financial statements**

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 financial statements to future periods are subject to the risk that the

internal financial control with reference to consolidated 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 December, 2023, based on the criteria for internal financial control with reference to consolidated financial statements 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.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 1 subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Jitendra Agarwal**

Partner

(Membership No.87104)

Place: Noida

Date: 15 February, 2024

UDIN: 24087104BKUCUD8531

# Consolidated Balance Sheet

as at December 31, 2023

(₹ in million)

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	3 (a)	607.41	705.95
(b) Capital work in progress	3 (b)	1.64	25.38
(c) Investment property	3 (c)	15.96	17.43
(d) Right-of-use assets	3 (d)	628.55	692.40
(e) Goodwill	3 (e)	2,836.58	108.62
(f) Other intangible assets	3 (f)	2,181.20	31.39
(g) Financial assets			
(i) Investment	4	0.03	0.03
(ii) Other financial assets	5	115.14	65.57
(h) Deferred tax assets (net)	28	313.44	219.87
(i) Non-current tax assets (net)		58.12	53.46
(j) Other non-current assets	6	126.59	108.91
<b>Total non-current assets (A)</b>		<b>6,884.66</b>	<b>2,029.01</b>
<b>B. Current assets</b>			
(a) Financial assets			
(i) Investments	4	-	138.65
(ii) Trade receivables	7	2,503.99	2,570.88
(iii) Cash and cash equivalents	8a	1,573.50	2,062.30
(iv) Bank balances other than cash and cash equivalents	8b	943.69	242.90
(v) Other financial assets	9	805.52	911.08
(b) Other current assets	10	435.06	375.67
<b>Total current assets (B)</b>		<b>6,261.76</b>	<b>6,301.48</b>
<b>Total assets (A+B)</b>		<b>13,146.42</b>	<b>8,330.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	11	118.31	118.31
(b) Other equity	12	5,996.06	5,336.39
Total equity attributable to equity shareholders of the Company		<b>6,114.37</b>	<b>5,454.70</b>
Non controlling interests	37	2,407.00	-
<b>Total equity (A)</b>		<b>8,521.37</b>	<b>5,454.70</b>
<b>Liabilities</b>			
<b>B. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	16.94	13.23
(ii) Lease liabilities	14	631.14	666.11
(iii) Other financial liabilities	15	12.01	8.76
(b) Provisions	16	282.00	207.95
<b>Total non-current liabilities (B)</b>		<b>942.09</b>	<b>896.05</b>
<b>C. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	562.24	7.21
(ii) Lease liabilities	14	101.45	84.69
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		370.76	355.87
(iv) Other financial liabilities	19	1,535.15	588.72
(b) Other current liabilities	20	634.21	589.38
(c) Provisions	21	342.15	303.70
(d) Current tax liabilities (net)		137.00	50.17
<b>Total current liabilities (C)</b>		<b>3,682.96</b>	<b>1,979.74</b>
<b>Total liabilities (B+C)</b>		<b>4,625.05</b>	<b>2,875.79</b>
<b>Total equity and liabilities (A+B+C)</b>		<b>13,146.42</b>	<b>8,330.49</b>

Notes forming integral part of the consolidated financial statements

1-40

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Jitendra Agarwal**  
Partner  
Membership No. 87104

Place : NOIDA  
Date : February 15, 2024

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

# Consolidated Statement of Profit and Loss

for the year ended December 31, 2023

(₹ in million, except per share data)

Particulars	Notes	Year ended December 31, 2023	Year ended December 31, 2022
<b>A Income</b>			
(i) Revenue from operations	22	16,845.18	15,158.31
(ii) Other income	23	115.33	102.89
<b>Total income</b>		<b>16,960.51</b>	<b>15,261.20</b>
<b>B Expenses</b>			
(i) Employee benefits expense	24	11,335.35	10,194.05
(ii) Finance costs	25	89.50	48.98
(iii) Depreciation and amortisation expense	26	544.04	349.78
(iv) Other expenses	27	2,986.36	2,966.82
<b>Total expenses</b>		<b>14,955.25</b>	<b>13,559.63</b>
<b>C Profit before tax and Share in Profit / (Loss) of Associate (A-B)</b>		<b>2,005.26</b>	<b>1,701.57</b>
<b>D Share of net profit / (loss) of associate accounted for using the equity method</b>		(5.04)	-
<b>E Profit before tax (C+D)</b>		<b>2,000.22</b>	<b>1,701.57</b>
<b>F Tax expense</b>	28		
(i) Current tax		613.59	387.19
(ii) Deferred tax credit		(14.43)	(82.43)
<b>Total tax expense</b>		<b>599.16</b>	<b>304.76</b>
<b>G Profit for the year (F-G)</b>		<b>1,401.06</b>	<b>1,396.81</b>
<b>H Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit plans		(8.96)	6.72
Deferred tax relating to re-measurements of the defined benefit plans		2.95	(2.35)
<b>Items that will be reclassified to profit or loss</b>			
Foreign currency translation reserve		69.09	219.52
<b>Total other comprehensive income / (loss)</b>		<b>63.08</b>	<b>223.89</b>
<b>I Total comprehensive income for the year (G+H)</b>		<b>1,464.14</b>	<b>1,620.70</b>
<b>J Profit attributable to</b>			
Equity shareholders of the company		1,401.06	1,396.81
Non controlling interest		-	-
		<b>1,401.06</b>	<b>1,396.81</b>
<b>K Total comprehensive income attributable to</b>			
Equity shareholders of the company		1,464.14	1,620.70
Non controlling interest		-	-
		<b>1,464.14</b>	<b>1,620.70</b>
<b>L Earnings per share (EPS)</b>	29		
Equity share of par value of ₹ 1/- each			
Basic and Diluted		11.84	11.81

Notes forming integral part of the consolidated financial statements

1-40

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Jitendra Agarwal**  
Partner  
Membership No. 87104

Place : NOIDA  
Date : February 15, 2024

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

# Consolidated Statement of Cash Flows

for the year ended December 31, 2023

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>A. Cash flows from operating activities</b>		
<b>Profit for the year</b>	1,401.06	1,396.81
<b>Adjustments for:</b>		
Tax expense	599.16	304.76
Depreciation and amortisation expense	544.04	349.78
Provision for doubtful debts (net)	68.98	50.84
Advance written off	-	1.03
Unrealised foreign exchange loss / (gain)	16.21	(22.40)
Unrealised loss / (gain) on derivative instruments	(109.10)	149.87
Interest income	(67.34)	(40.45)
Rental income from investment property	(6.72)	(6.72)
Net gain on disposal / fair valuation of investments	(4.62)	(6.40)
Loss / (Profit) on sale / disposal of property, plant and equipment (net)	4.48	(3.28)
Share of net (profit) / loss of associates accounted for using the equity method (refer to Note 37)	5.04	-
Net gain on fair value of investment in associates (refer to Note 37)	(2.04)	-
Liability no longer required written back	(5.38)	-
Profit on cancellation of leases (net)	-	(0.20)
Lease rent concession (refer to Note 14)	-	(7.47)
Other fair value gain on contingent consideration (refer to Note 36)	-	(25.79)
Interest expenses on fair value of contingent consideration (refer to Note 36)	-	0.77
Interest expenses other	89.50	48.21
<b>Operating profit before working capital changes</b>	<b>2,533.27</b>	<b>2,189.36</b>
Movements in working capital :		
(Increase) / Decrease in trade receivables	255.90	(717.39)
(Increase) / Decrease in other assets	46.76	(344.96)
Increase / (Decrease) in provisions	55.63	62.18
Increase / (Decrease) in trade payables and other liabilities	(236.37)	169.55
<b>Cash generated from operations</b>	<b>2,655.19</b>	<b>1,358.74</b>
Direct taxes paid, net of refunds	(541.55)	(394.88)
<b>Net cash flows from operating activities (A)</b>	<b>2,113.64</b>	<b>963.86</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(201.57)	(348.36)
Purchase of intangible assets	(0.56)	(10.60)
Proceeds from sale of property, plant and equipment	15.18	5.91
Payment of contingent consideration to erstwhile shareholders of subsidiary (refer to Note 36)	-	(27.46)
Acquisition of subsidiary i.e. Velotio Technologies Private Limited (net of cash and cash equivalents acquired amounting to ₹ 166.50 mn) (refer to Note 37)	(2,470.57)	-
Acquisition of subsidiary i.e. Scaleworx Technologies Private Limited (net of cash and cash equivalents acquired amounting to ₹ 28.52 mn) (refer to Note 37)	(13.97)	-
Proceeds from redemption of mutual fund	143.27	-
Proceeds from fixed deposits (net)	225.85	115.60
Interest received	67.80	44.48
Rental income from investment property	6.72	6.72
<b>Net cash used in investing activities (B)</b>	<b>(2,227.85)</b>	<b>(213.71)</b>

# Consolidated Statement of Cash Flows

for the year ended December 31, 2023

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>C. Cash flows from financing activities</b>		
Proceeds from long-term borrowings	16.60	15.32
Repayment of long-term borrowings	(9.46)	(5.49)
Proceeds from short-term borrowings (net)	551.60	-
Proceeds from margin money deposits (net)	7.19	14.84
Payment of lease liabilities (refer to Note 14)	(149.14)	(118.54)
Interest paid	(21.42)	(1.16)
Interim dividend paid (refer to Note 38)	(804.46)	(768.97)
<b>Net cash used in financing activities (C)</b>	<b>(409.09)</b>	<b>(864.00)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(523.30)</b>	<b>(113.85)</b>
Add: Cash and cash equivalents at the beginning of the year	2,062.30	2,043.68
Add: Effect of exchange rate changes on cash and cash equivalents held in foreign currency	34.50	132.47
<b>Cash and cash equivalents at the end of the year (refer to Note 8a)</b>	<b>1,573.50</b>	<b>2,062.30</b>

Notes forming integral part of the consolidated financial statements

1-40

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Jitendra Agarwal**  
Partner  
Membership No. 87104

Place : NOIDA  
Date : February 15, 2024

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

# Consolidated Statement of Changes in Equity

for the year ended December 31, 2023

## A. Equity share capital

(₹ in million)

Balance as at January 01, 2023	Changes in equity share capital during the year	Balance as at December 31, 2023
118.31	-	118.31

(₹ in million)

Balance as at January 01, 2022	Changes in equity share capital during the year	Balance as at December 31, 2022
118.31	-	118.31

## B. Other equity (refer to Note 12)

(₹ in million)

Particulars	Reserves and surplus				Other comprehensive income	Total other equity
	Capital reserve under common control	Capital reserve other	Capital redemption reserve	Retained earnings	Foreign currency translation reserve	
<b>Balance at January 01, 2023</b>	<b>(0.34)</b>	<b>0.03</b>	<b>5.02</b>	<b>4,796.39</b>	<b>535.28</b>	<b>5,336.39</b>
Profit for the year	-	-	-	1,401.06	-	1,401.06
Other comprehensive income / (loss) for the year	-	-	-	(6.01)	69.09	63.08
Interim dividend paid (refer to Note 38)	-	-	-	(804.46)	-	(804.46)
<b>Balance at December 31, 2023</b>	<b>(0.34)</b>	<b>0.03</b>	<b>5.02</b>	<b>5,386.98</b>	<b>604.37</b>	<b>5,996.06</b>
<b>Balance at January 01, 2022</b>	<b>(0.34)</b>	<b>0.03</b>	<b>5.02</b>	<b>4,164.18</b>	<b>315.76</b>	<b>4,484.65</b>
Profit for the year	-	-	-	1,396.81	-	1,396.81
Other comprehensive income / (loss) for the year	-	-	-	4.37	219.52	223.89
Interim dividend paid (refer to Note 38)	-	-	-	(768.97)	-	(768.97)
<b>Balance at December 31, 2022</b>	<b>(0.34)</b>	<b>0.03</b>	<b>5.02</b>	<b>4,796.39</b>	<b>535.28</b>	<b>5,336.39</b>

Loss of ₹ 6.01 million and gain of ₹ 4.37 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the year ended December 31, 2023 and December 31, 2022, respectively.

Notes forming integral part of the consolidated financial statements

1-40

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Jitendra Agarwal**  
Partner  
Membership No. 87104

Place : NOIDA  
Date : February 15, 2024

**For and on behalf of the Board of Directors of  
R SYSTEMS INTERNATIONAL LIMITED**

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 1. Organisation and nature of operations

R Systems International Limited (the 'Company' or 'the Parent Company') (Corporate Identification Number: L74899DL1993PLC053579) and its subsidiaries (hereinafter collectively referred to as 'the Group') is a public company domiciled in India having its registered office at New Delhi. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. The Group is a leading global provider of technology, artificial intelligence, intelligent process automation services and solutions along with knowledge services. The Group delivers its services and solutions to leading technology companies and businesses to enable their digital transformation. The Company's services and solutions span over five major business verticals i.e. Independent Software Vendor (ISV), Healthcare, Manufacturing & Logistics, Telecom, Media & Entertainment (TME) and Banking, Finance & Insurance (BFSI).

The Company has following subsidiaries:-

Name	Holding as at		Country of incorporation and other particulars
	December 31, 2023	December 31, 2022	
R Systems, Inc., USA	100%	100%	A company registered under the laws of California, USA in 1993 and subsidiary of the Company since January 2, 2001.
R Systems (Singapore) Pte Limited, Singapore	100%	100%	A company registered under the laws of Singapore in 1997 and subsidiary of the Company since September 19, 2000.
R Systems Technologies Limited, USA	100%	100%	A company registered under the laws of Delaware, USA in 1996 and subsidiary of the Company since April 1, 2002.
R Systems Consulting Services Limited Singapore	99.75%	99.75%	A company registered under the laws of Singapore in 1996. The Company has acquired majority share on January 8, 2004. R Systems Consulting Services Limited, Singapore has subsidiaries in Malaysia, Thailand, China, Hong Kong, Japan and Vietnam.  The shareholding by the Company and R Systems (Singapore) Pte Limited is 69.37% and 30.38% respectively.
R Systems Computaris International Limited, UK	100%	100%	A company registered under the laws of U.K in 2006. The Company has acquired the entire share on January 26, 2011. R Systems Computaris International Limited, U.K. has subsidiaries in Romania, Poland, Moldova, Malaysia, Switzerland and Philippines.
RSYS Technologies Ltd., Canada	100%	100%	A company registered under the laws of Canada in 2012 and subsidiary of the Company since October 29, 2012.
IBIZ Consultancy Services India Private Limited, India (IBIZ India) (refer to Note a below)	-	-	A company registered under the laws of India in 2008 and subsidiary of the Company since April 30, 2015.
Velotio Technologies Private Limited (refer to Note b below)	100% outstanding equity capital	-	A private company registered under the Companies Act, 2013 in 2016 and the subsidiary of the Company since July 3, 2023.

a. During the previous year, IBIZ India, has gone into voluntary liquidation under Section 59 of Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation) Regulations, 2017. Hon'ble National Company Law Tribunal, New Delhi ("NCLT"), vide its order dated April 24, 2023, has allowed the application for dissolution of IBIZ India filed by its Liquidator on completion of Voluntary Liquidation of IBIZ India under Section 59 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. As per aforesaid NCLT order, IBIZ India has been dissolved w.e.f. April 24, 2023.

b. As on July 3, 2023, Velotio Technologies Private Limited (Velotio) held 40% Equity shares of Scaleworx Technologies Private Limited and classified this as associates. Subsequently on December 1, 2023, Velotio has acquired balance 60% Equity shares from its preceding shareholders and consequently became wholly owned subsidiary. (refer to Note 37)



# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

R Systems Consulting Services Limited, Singapore has following wholly owned subsidiaries:

Name	Holding as at		Country of incorporation and other particulars
	December 31, 2023	December 31, 2022	
R Systems Consulting Services (M) Sdn. Bhd.	100 %	100 %	Malaysia
R Systems Consulting Services (Thailand) Co., Ltd.	100 %	100 %	Thailand
R Systems Consulting Services (Shanghai) Co., Ltd.	100 %	100 %	People's Republic of China
R Systems Consulting Services (Hong Kong) Ltd.	100 %	100 %	Hong Kong
R Systems Consulting Services Kabushiki Kaisha	100 %	100 %	Japan
R Systems Consulting Services Company Limited (incorporated on October 17, 2022)	100 %	100 %	Vietnam

R Systems Computaris International Limited, UK has following wholly owned subsidiaries:

Name	Holding as at		Country of incorporation and other particulars
	December 31, 2023	December 31, 2022	
R Systems Computaris Europe SRL	100 %	100 %	Romania
R Systems Computaris Poland sp z o.o	100 %	100 %	Poland
R Systems Computaris S.R.L	100 %	100 %	Moldova
R Systems Computaris Malaysia Sdn. Bhd.	100 %	100 %	Malaysia
R Systems Computaris Philippines Pte. Ltd. Inc.	100 %	100 %	Philippines
R Systems Computaris Suisse Sarl	100 %	100 %	Switzerland

R Systems IBIZCS Pte. Ltd., Singapore is a wholly owned subsidiary of R Systems (Singapore) Pte Limited, Singapore w.e.f. April 30, 2015 and has following wholly owned subsidiaries:

Name	Holding as at		Country of incorporation and other particulars
	December 31, 2023	December 31, 2022	
IBIZ Consulting Services Pte Ltd (strike off w.e.f. January 08, 2024)	100 %	100 %	Singapore
R Systems IBIZ Sdn. Bhd	100 %	100 %	Malaysia
PT. R Systems IBIZCS International	100 %	100 %	Indonesia
IBIZ Consulting (Thailand) Co. Ltd.	100 %	100 %	Thailand
IBIZ Consulting Service Limited (IBIZ HK)	100 %	100 %	Hong Kong
IBIZ Consulting Service Shanghai Co., Ltd	100% by IBIZ HK	100% by IBIZ HK	People's Republic of China

## 2. Significant Accounting Policies

### 2.1 Basis of preparation and presentation

#### (a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standard) Rules as amended from time to time.

The Group has consistently applied accounting policies to all periods except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (b) Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The Group uses the Indian Rupee (INR) as its reporting currency, which is the functional currency of the Parent Company. All amounts have been presented in nearest million and rounded off upto two decimal places, unless otherwise indicated.

#### (c) Basis of preparation and presentation

The consolidated financial statements of the Group have been prepared under the historical cost convention on an accrual basis except for certain financial

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

instruments, contingent consideration, net defined benefit obligations and other long term employee benefits, which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of services rendered to customers and the time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration of the services rendered, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 2.2 Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Indian Accounting Standard (Ind AS) 110 Consolidated Financial Statements.

The consolidated financial statements include the financial statements of R Systems International Limited and its subsidiaries (as explained in note 1 above).

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's

standalone financial statements. The Group follows uniform accounting year i.e. January to December.

The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions.

Minority interest's share in the net comprehensive income of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. In case the losses applicable to consolidated minority are in excess of minority interest in the equity of the subsidiary, the excess, and any further losses applicable to the minority are adjusted against majority interest except to the extent minority has a binding obligation to, and is able to, make good losses. If the subsidiary subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

## 2.3 Summary of significant accounting policies

### (a) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items (major component) of property, plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Group. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal or retirement of property, plant and equipment 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 disposed.

Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment received

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

but not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

## (b) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment and investment property less their estimated residual values using the straight line method over the useful lives of the assets estimated by the management. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values are in align with Part C of Schedule II of the Companies Act 2013.

The management estimates the useful lives are as follows:

Category	Useful life upto
Buildings	30 years
Leasehold land	Lease period
Leasehold improvements	Lower of lease period or useful life
Plant and equipment - other than air conditioners	15 years
Air conditioners	5 years
Office Equipment (other than end user devices)	5 years
Computer hardware and network installations (other than end user devices)	6 years
End-user devices such as desktop, laptop, mobile phones etc.	3 years
Furniture and fittings	10 years
Vehicles	8 years
Electrical Installation	10 years

## (c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The management estimates the useful lives are as follows:

Category	Useful life upto
Computer software	Lower of license period or 3 to 5 years
Customer Contract	Over the period of contract
Non-Compete	Period of Non-Compete

## (d) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## (e) Business combination, Goodwill and Intangible assets

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs incurred in connection with a business combination are expensed as incurred.

### a. Goodwill

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in capital reserve.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## b. Intangible assets

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for using pooling of interest method as if the acquisition had occurred at the beginning of the earliest comparative period presented. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the transferor company. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately as Capital reserve under common control.

## (f) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amounts are presented in the standalone balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## (g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### *Classification of financial assets*

(i) Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### (iii) Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

### (iv) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### *De-recognition of financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

### *Foreign exchange gains and losses*

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- (i) For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- (ii) Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- (iii) For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### **(h) Financial liabilities**

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost  
Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is recognised as finance costs in the statement of profit and loss.
- Financial liabilities at fair value through profit or loss (FVTPL)  
Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

### *De-recognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

### **(i) Impairment**

#### i. Financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Group recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

#### ii. Non-financial assets

The Group's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Group estimates the asset's recoverable amount.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

### **(j) Derivative financial instruments**

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## *Hedge accounting*

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

## *Fair value hedges*

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

## *Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

## **(k) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and interest on lease liabilities. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **(l) Leases**

### *Where the Group is a lessee*

The Group lease asset classes primarily consist of leases for land, buildings, computer hardware and furniture. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (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 recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has opted for the practical expedient under Ind AS 116 Para 46A read with Para 46B which provides lessee an option not to assess COVID-19-related rent concession as a lease modification. Basis the practical expedient the Group has recorded lease rent concession under other income. The expedient initially allowed for COVID-19-related rent concessions to payments originally due on or before June 30, 2021 has been extended to June 30, 2022. Any lease concession received subsequent to June 30, 2022 has been accounted for as a lease modification and a corresponding adjustment is made to the carrying amount of the related right-of-use asset and lease liability.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

#### *Where the Group is a lessor*

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets comprising land and building which are subject to operating leases are included under non-current assets as investment property and are carried at cost less accumulated depreciation. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

#### **(m) Revenue**

The Group derives revenue primarily from software development and related services and business

process outsourcing services. The Group recognises revenue when the performance obligations as promised have been satisfied with a transaction price and when there is no uncertainty as to measurement or collectability of the consideration.

The Group has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group collects indirect taxes like Goods and Service Tax, value added taxes (VAT) etc. on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is



# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

Revenue from licenses where the customer obtain a right to use are recognised at the time the licenses is made available to the customers.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as unearned revenues).

Unbilled revenue for fixed price contracts are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones. Unbilled revenue on contracts other than above is classified as a financial asset.

## (n) Other Income

Other income is comprised primarily of interest income, net gain on foreign exchange fluctuations, rental income and gain on investments. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate. Dividend income is recognised when the Group's right to receive dividend is established.

## (o) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences

arising if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

For translating income, expense and cash flows items, during the year ended December 31, 2023, the rates used were US \$ 1 = ₹ 82.57, Euro 1 = ₹ 89.29, Singapore \$ 1 = ₹ 61.47 and Canadian \$ 1 = ₹ 61.19. For translating assets and liabilities at the year-end, the rates used were US \$ 1 = ₹ 83.21, Euro 1 = ₹ 91.95, Singapore \$ 1 = ₹ 63.00 and Canadian \$ 1 = ₹ 62.79.

For translating income, expense and cash flows items, during the year ended December 31, 2022, the rates used were US \$ 1 = ₹ 78.47, Euro 1 = ₹ 82.56, Singapore \$ 1 = ₹ 56.91 and Canadian \$ 1 = ₹ 60.27. For translating assets and liabilities at the year-end, the rates used were US \$ 1 = ₹ 82.73, Euro 1 = ₹ 88.14, Singapore \$ 1 = ₹ 61.66 and Canadian \$ 1 = ₹ 61.05.

## (p) Employee benefits

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all related employee benefits. The related risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

(i) The Group's contribution to social security plans such as provident fund, employee state insurance scheme, 401K etc. are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Gratuity is a defined benefit obligation plan operated by the Company and its Indian subsidiaries for its employees covered under

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to statement of profit and loss subsequently.

The provision for gratuity recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets, if any.

(iii) **Compensated absences**

The employees of the Group are entitled to compensated absences. The employees of the Group can carry forward a portion of the unutilised accumulating compensated absences and utilise it in the future periods or receive cash at the retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the service that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Accumulated compensated absences which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulating compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Non-accumulating compensated absences are recognised in the period in which the absences occur.

The Group presents the entire leave encashment liability as a current liability in the balance sheet,

since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(q) **Income taxes**

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

*Current tax*

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

The Group off sets current tax assets and current tax liabilities only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

*Deferred tax*

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realised.

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 tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. MAT credit asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under deferred tax assets.

## (r) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is deducted in reporting the related expenses over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grant or subsidy relating to expenses already incurred in previous years is recognised under other income.

## (s) Segment reporting

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Each segment item reported is measured at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance.

## *Inter segment transfers:*

The Group generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

## *Allocation of common costs:*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

## *Unallocated items:*

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

## (t) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources. The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

## (u) Share based payments

In accordance with Ind AS 102 – "Share Based Payments", the cost of equity-settled transaction is determined by the fair value of the options at the date of the grant and recognised as employee compensation cost over the vesting period. 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 expense recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

## (v) Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## (w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

## (x) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

## (y) Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group

may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## Critical accounting estimates

### i. Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

### ii. Income taxes

The Group's major tax jurisdiction is India, though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

The Group reviews carrying amount of deferred tax assets / liabilities at the end of each reporting period.

### iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### iv. Leases

The Group considers the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

v. Impairment of goodwill

Goodwill recognised on business combination is tested for impairment annually or when events occur or changes in circumstances indicate that the recoverable amount of cash generating unit to which it pertains, is less than the carrying value. The recoverable amount of cash generating unit is higher of value-in-use and fair value less cost of disposal. The calculation of value-in-use of cash generating unit involves use of significant estimates and assumptions, which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

vi. Business Combination and Intangible Assets

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the acquirer to recognise the identifiable intangible assets and consideration at fair value. Estimates are required to be made in determining the value of consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

vii. Employee benefit plans

The present value of provision for gratuity and other long-term employee benefit is based on actuarial valuation using the projected unit credit method. An actuarial valuation involved 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, provision for gratuity and other long-term employee benefit is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023. These amendments are applicable to the Group for the financial year starting January 01, 2024. The Group does not expect these amendments to have any significant impact in its financial statements.

a. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

b. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 3 (a). Property, plant and equipment

(₹ in million)

Particulars	Buildings and leasehold improvements	Plant and equipment	Electric installation	Furniture and fittings	Computer hardware	Vehicles <sup>1</sup>	Office equipment	Total
<b>At cost</b>								
<b>Gross Block</b>								
<b>As at January 01, 2022</b>	138.85	55.53	20.39	121.59	990.00	88.91	61.51	<b>1,476.78</b>
Additions	2.25	4.28	-	2.62	261.99	51.12	8.34	<b>330.60</b>
Deletions	-	-	-	(0.08)	(19.91)	(23.21)	(3.14)	<b>(46.34)</b>
Foreign currency translation difference	3.41	-	0.02	2.97	24.21	1.67	1.60	<b>33.88</b>
<b>As at December 31, 2022</b>	<b>144.51</b>	<b>59.81</b>	<b>20.41</b>	<b>127.10</b>	<b>1,256.29</b>	<b>118.49</b>	<b>68.31</b>	<b>1,794.92</b>
Addition through Acquisitions (refer to Note 37)	-	-	-	3.02	43.43	14.42	2.37	<b>63.24</b>
Additions	3.98	5.58	-	3.31	106.13	26.19	4.22	<b>149.41</b>
Deletions	(1.36)	(1.59)	-	(1.47)	(42.05)	(29.12)	(2.04)	<b>(77.63)</b>
Foreign currency translation difference	1.32	-	(0.01)	1.27	13.69	(0.01)	0.90	<b>17.16</b>
<b>As at December 31, 2023</b>	<b>148.45</b>	<b>63.80</b>	<b>20.40</b>	<b>133.23</b>	<b>1,377.49</b>	<b>129.97</b>	<b>73.76</b>	<b>1,947.10</b>
<b>Accumulated Depreciation</b>								
<b>As at January 01, 2022</b>	62.93	36.52	19.02	99.66	575.84	47.09	52.14	<b>893.20</b>
Charge for the year	10.59	2.78	0.28	5.03	181.16	11.18	5.03	<b>216.05</b>
Deletions	-	-	-	(0.07)	(18.60)	(21.86)	(3.12)	<b>(43.65)</b>
Foreign currency translation difference	2.36	-	0.02	2.28	16.57	0.84	1.30	<b>23.37</b>
<b>As at December 31, 2022</b>	<b>75.88</b>	<b>39.30</b>	<b>19.32</b>	<b>106.90</b>	<b>754.97</b>	<b>37.25</b>	<b>55.35</b>	<b>1,088.97</b>
Addition through Acquisitions (refer to Note 37)	-	-	-	1.38	27.23	3.29	1.42	<b>33.32</b>
Charge for the year	10.77	3.12	0.27	5.77	221.83	15.77	5.84	<b>263.37</b>
Deletions	(0.43)	(0.91)	-	(1.27)	(41.92)	(11.80)	(1.59)	<b>(57.92)</b>
Foreign currency translation difference	0.47	-	(0.01)	0.72	10.24	-	0.53	<b>11.95</b>
<b>As at December 31, 2023</b>	<b>86.69</b>	<b>41.51</b>	<b>19.58</b>	<b>113.50</b>	<b>972.35</b>	<b>44.51</b>	<b>61.55</b>	<b>1,339.69</b>
<b>Net Block</b>								
<b>As at December 31, 2022</b>	<b>68.63</b>	<b>20.51</b>	<b>1.09</b>	<b>20.20</b>	<b>501.32</b>	<b>81.24</b>	<b>12.96</b>	<b>705.95</b>
<b>As at December 31, 2023</b>	<b>61.76</b>	<b>22.29</b>	<b>0.82</b>	<b>19.73</b>	<b>405.14</b>	<b>85.46</b>	<b>12.21</b>	<b>607.41</b>

### Notes:

- (1) Gross block of vehicles amounting to ₹ 57.52 million (as at December 31, 2022 : ₹ 37.19 million) are hypothecated against terms loans for vehicle financed from a non-banking financial corporation. Also refer to Note 13.
- (2) Refer to Note 17 with respect to moveable assets (excluding vehicles) hypothecated against short term borrowings.
- (3) Capital commitments:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Estimated amount of unexecuted capital contracts (A)	73.35	18.24
Capital advances (B)	70.40	16.07
<b>Net capital commitment (A-B)</b>	<b>2.95</b>	<b>2.17</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 3 (b). Capital work in progress ageing schedule

(₹ in million)

Projects in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at December 31, 2023	1.64	-	-	-	<b>1.64</b>
As at December 31, 2022	25.38	-	-	-	<b>25.38</b>

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

## 3 (c). Investment property

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Cost of land and building given on operating lease</b>		
Balance at beginning of the year	35.96	35.96
Additions	-	-
<b>Balance at the end of year</b>	<b>35.96</b>	<b>35.96</b>
<b>Accumulated depreciation</b>		
Balance at beginning of the year	18.53	17.06
Charge for the year	1.47	1.47
<b>Balance at the end of year</b>	<b>20.00</b>	<b>18.53</b>
<b>Net block</b>	<b>15.96</b>	<b>17.43</b>

### Measurement of fair values

Investment property consists of land and building situated at Pune, India and is accounted for at cost. The Group has estimated that the fair value of investment property is ₹ 101.13 million (Previous year: ₹ 99.73 million). The estimate is based on the valuation by a registered valuer during the year. The fair value measurement for the investment property has been categorised as a Level 2.

## 3 (d). Right-of-use assets

(₹ in million)

Particulars	Leasehold Land	Building	Vehicles	Computer hardware	Furniture and fittings	Computer software	Total
<b>Gross Block</b>							
<b>As at January 01, 2022</b>	19.99	601.29	3.58	16.63	63.00	2.58	<b>707.07</b>
<b>Additions</b>	-	220.84	-	-	49.42	-	<b>270.26</b>
Modification of lease	-	0.79	-	-	(1.93)	-	<b>(1.14)</b>
Retirement on completion/ termination of lease	(4.69)	(28.91)	(3.58)	-	-	-	<b>(37.18)</b>
Foreign currency translation difference	-	15.58	-	0.76	-	0.13	<b>16.47</b>
<b>As at December 31, 2022</b>	<b>15.30</b>	<b>809.59</b>	<b>-</b>	<b>17.39</b>	<b>110.49</b>	<b>2.71</b>	<b>955.48</b>
Addition through Acquisitions (refer to Note 37)	-	43.38	-	-	-	-	<b>43.38</b>
Additions	-	48.13	-	-	-	-	<b>48.13</b>
Modification of lease	-	(8.02)	-	-	(3.60)	-	<b>(11.62)</b>
Retirement on completion/ termination of lease	-	(37.06)	-	-	-	-	<b>(37.06)</b>
Foreign currency translation difference	-	13.05	-	0.60	-	0.10	<b>13.75</b>
<b>As at December 31, 2023</b>	<b>15.30</b>	<b>869.07</b>	<b>-</b>	<b>17.99</b>	<b>106.89</b>	<b>2.81</b>	<b>1,012.06</b>
<b>Accumulated Depreciation</b>							
<b>As at January 01, 2022</b>	7.33	141.19	2.32	8.30	17.67	1.96	<b>178.77</b>
Charge for the year	1.06	96.67	0.77	4.14	7.77	0.60	<b>111.01</b>
Retirement on completion/ termination of lease	(4.41)	(28.91)	(3.09)	-	-	-	<b>(36.41)</b>
Foreign currency translation difference	-	8.93	-	0.64	-	0.14	<b>9.71</b>
<b>As at December 31, 2022</b>	<b>3.98</b>	<b>217.88</b>	<b>-</b>	<b>13.08</b>	<b>25.44</b>	<b>2.70</b>	<b>263.08</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 3 (d). Right-of-use assets (Contd.)

(₹ in million)

Particulars	Leasehold Land	Building	Vehicles	Computer hardware	Furniture and fittings	Computer software	Total
Addition through Acquisitions (refer to Note 37)	-	18.33	-	-	-	-	<b>18.33</b>
Charge for the year	0.18	116.38	-	4.17	10.77	-	<b>131.50</b>
Retirement on completion/ termination of lease	-	(37.06)	-	-	-	-	<b>(37.06)</b>
Foreign currency translation difference	-	7.01	-	0.55	-	0.10	<b>7.66</b>
<b>As at December 31, 2023</b>	<b>4.16</b>	<b>322.54</b>	<b>-</b>	<b>17.80</b>	<b>36.21</b>	<b>2.80</b>	<b>383.51</b>
<b>Net Block</b>							
<b>As at December 31, 2022</b>	<b>11.32</b>	<b>591.71</b>	<b>-</b>	<b>4.31</b>	<b>85.05</b>	<b>0.01</b>	<b>692.40</b>
<b>As at December 31, 2023</b>	<b>11.14</b>	<b>546.53</b>	<b>-</b>	<b>0.19</b>	<b>70.68</b>	<b>0.01</b>	<b>628.55</b>

## 3 (e). Goodwill

(₹ in million)

Particulars	Total
<b>As at January 01, 2022</b>	<b>97.54</b>
Foreign currency translation difference	11.08
<b>As at December 31, 2022</b>	<b>108.62</b>
Addition on Acquisitions (refer to Note 37)	2,725.46
Foreign currency translation	2.50
<b>As at December 31, 2023</b>	<b>2,836.58</b>

## 3 (f). Other intangible assets

(₹ in million)

Particulars	Software	Non-compete	Customer contract	Total
<b>At cost</b>				
<b>Gross Block</b>				
<b>As at January 01, 2022</b>	135.77	75.55	22.57	<b>233.89</b>
Additions	10.60	-	-	<b>10.60</b>
Deletions	(5.79)	-	-	<b>(5.79)</b>
Foreign currency translation difference	6.40	8.42	1.13	<b>15.95</b>
<b>As at December 31, 2022</b>	<b>146.98</b>	<b>83.97</b>	<b>23.70</b>	<b>254.65</b>
Addition through Acquisitions (refer to Note 37)	-	536.00	1,765.87	<b>2,301.87</b>
Additions	0.56	-	-	<b>0.56</b>
Deletions	(5.28)	(81.20)	-	<b>(86.48)</b>
Foreign currency translation difference	(1.06)	(0.13)	0.92	<b>(0.27)</b>
<b>As at December 31, 2023</b>	<b>141.20</b>	<b>538.64</b>	<b>1,790.49</b>	<b>2,470.33</b>
<b>Accumulated amortisation</b>				
<b>As at January 01, 2022</b>	129.82	44.11	20.77	<b>194.70</b>
Charge for the year	4.84	15.92	0.49	<b>21.25</b>
Deletions	(5.79)	-	-	<b>(5.79)</b>
Foreign currency translation difference	6.23	5.84	1.03	<b>13.10</b>
<b>As at December 31, 2022</b>	<b>135.10</b>	<b>65.87</b>	<b>22.29</b>	<b>223.26</b>
Addition through Acquisitions (refer to Note 37)	-	-	4.27	<b>4.27</b>
Charge for the year	5.14	55.05	87.51	<b>147.70</b>
Deletions	(5.28)	(81.20)	-	<b>(86.48)</b>
Foreign currency translation difference	(0.42)	(0.12)	0.92	<b>0.38</b>
<b>As at December 31, 2023</b>	<b>134.54</b>	<b>39.60</b>	<b>114.99</b>	<b>289.13</b>
<b>Net Block</b>				
<b>As at December 31, 2022</b>	<b>11.88</b>	<b>18.10</b>	<b>1.41</b>	<b>31.39</b>
<b>As at December 31, 2023</b>	<b>6.66</b>	<b>499.04</b>	<b>1,675.50</b>	<b>2,181.20</b>



# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 4. Investments

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>A. Non-current investments</b>		
<b>Unquoted investments (fully paid), measured at FVTPL</b>		
Investment in Saraswat Co-operative Bank Ltd		
2,500 (previous year 2,500) shares of ₹ 10 each fully paid up	0.03	0.03
<b>Total investments measured at FVTPL</b>	<b>0.03</b>	<b>0.03</b>
<b>Aggregate carrying value of Non-current unquoted investments</b>	<b>0.03</b>	<b>0.03</b>
<b>B. Current investments</b>		
<b>Unquoted investments in mutual funds, measured at FVTPL</b>		
Nil (previous year 9,139) units of SBI Premier Liquid Fund	-	31.43
Nil (previous year 7,277) units of HDFC Liquid Fund	-	31.38
Nil (previous year 115,669) units of ICICI Prudential Liquid Fund	-	37.90
Nil (previous year 15,428) units of Axis Liquid Fund	-	37.94
<b>Total investments in mutual funds</b>	<b>-</b>	<b>138.65</b>
<b>Total current investments (unquoted)</b>	<b>-</b>	<b>138.65</b>

## 5. Other non-current financial assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Unsecured, considered good</b>		
Security deposits	47.43	34.96
Margin money deposits (refer to Note 8b)	66.98	30.20
Interest accrued on bank deposits	0.68	0.36
Staff advance	0.05	0.05
	<b>115.14</b>	<b>65.57</b>

## 6. Other non-current assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Unsecured, considered good</b>		
Capital advances	70.40	16.07
Prepaid expenses	56.19	92.84
	<b>126.59</b>	<b>108.91</b>

## 7. Trade receivables (Unsecured)

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good	2,503.99	2,570.88
Unsecured, credit impaired	126.24	65.17
Less: Allowance for doubtful debts (expected credit loss allowance)	(126.24)	(65.17)
	<b>2,503.99</b>	<b>2,570.88</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 7. Trade receivables (Unsecured) (Contd.)

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at December 31, 2023</b>							
Undisputed, considered good	1,684.25	808.58	9.03	2.13	-	-	<b>2,503.99</b>
Undisputed, credit impaired	18.79	51.03	35.79	13.33	1.65	0.35	<b>120.94</b>
Disputed, credit impaired	-	4.75	0.55	-	-	-	<b>5.30</b>
<b>As at December 31, 2022</b>							
Undisputed, considered good	1,738.34	827.06	4.36	1.12	-	-	<b>2,570.88</b>
Undisputed, credit impaired	-	19.86	28.09	11.49	0.69	3.47	<b>63.60</b>
Disputed, credit impaired	-	-	1.57	-	-	-	<b>1.57</b>

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Group estimates the following matrix at the reporting date.

Particulars	Ageing*			
	Up to 90 days	90-180 days	180-365 days	More than 365 days
<b>Default rate as at December 31, 2023</b>	0.00% - 0.38%	0.07% - 1.32%	0.31% - 2.00%	2.00%
<b>Default rate as at December 31, 2022</b>	0.00% - 0.23%	0.07% - 0.74%	0.17% - 2.00%	2.00%

\* In case of probability of non-collection, credit loss rate is 100%

### Movement in expected credit loss allowance:

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
Balance at the beginning of the year	65.17	19.02
Provision added through acquisition	10.78	-
Provision for doubtful debts (net)	68.98	50.84
Bad debts written off	(16.25)	(9.46)
Effect of foreign exchange fluctuation / translation	(2.44)	4.77
<b>Balance at the end of the year</b>	<b>126.24</b>	<b>65.17</b>

## 8a. Cash and cash equivalents

(₹ in million)

Particulars	As at	As at
	December 31, 2023	December 31, 2022
(a) Cash on hand	0.90	0.89
(b) Balances with scheduled banks		
(i) in current accounts	143.70	37.69
(ii) in EEFC accounts	58.92	173.97
(iii) in deposit accounts with original maturity of less than 3 months	35.42	525.66
(c) Balances with other banks		
(i) in current accounts	1,247.79	1,083.65
(ii) in deposit accounts with original maturity of less than 3 months	86.77	240.44
<b>Cash and cash equivalents</b>	<b>1,573.50</b>	<b>2,062.30</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 8b. Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
(a) In other deposit accounts		
(i) original maturity more than 12 months	112.74	232.12
(ii) original maturity more than 3 months but less than 12 months	136.70	240.34
(iii) held as margin money	66.98	30.20
Deposits with banks	<b>316.42</b>	<b>502.66</b>
Less: Bank deposits with original maturity of more than 12 months disclosed under Note 9	(112.74)	(232.12)
Less: Margin money deposit disclosed under Note 5	(66.98)	(30.20)
	<b>136.70</b>	<b>240.34</b>
(b) Balances with scheduled banks		
(i) in unclaimed dividend accounts	2.53	2.56
(ii) Bank balance towards interim dividend (refer to Note 38)	804.46	-
<b>Bank balances other than cash and cash equivalents</b>	<b>943.69</b>	<b>242.90</b>

### Note:

(i) For details of bank wise balances, refer to Note 8c.

## 8c. Cash and bank balances

(₹ in million)

S. No.	Particulars	As at December 31, 2023	As at December 31, 2022
<b>A</b>	<b>Cash on hand</b>	<b>0.90</b>	<b>0.89</b>
	<b>Balance with scheduled banks</b>		
<b>B</b>	<b>In current accounts</b>		
1	ICICI Bank Limited	53.36	31.23
2	HDFC Bank Limited	84.06	0.14
3	Axis Bank Limited	6.28	6.32
		<b>143.70</b>	<b>37.69</b>
<b>C</b>	<b>In EEFC accounts</b>		
1	ICICI Bank Limited	4.01	32.94
2	Axis Bank Limited	54.91	141.03
		<b>58.92</b>	<b>173.97</b>
<b>D</b>	<b>In deposit accounts</b>		
1	State Bank of India	0.01	5.34
2	ICICI Bank Limited	0.75	11.21
3	Axis Bank Limited	246.16	749.19
4	HDFC Bank Limited	81.51	-
		<b>328.43</b>	<b>765.74</b>
<b>E</b>	<b>In unclaimed dividend accounts</b>		
1	HDFC Bank Limited	0.73	0.74
2	ICICI Bank Limited	1.80	1.82
		<b>2.53</b>	<b>2.56</b>
<b>F</b>	<b>Bank balance towards interim dividend</b>		
1	ICICI Bank Limited (refer to Note 38)	804.46	-
		<b>804.46</b>	<b>-</b>
	<b>Balance with other banks</b>		
<b>G</b>	<b>In current accounts</b>		
1	California Bank & Trust	195.72	271.57
2	JP Morgan Chase Bank, N.A.	63.26	6.33
3	OCBC Bank	95.88	92.98
4	DBS Bank	123.15	127.89
5	Malayan Banking Berhad	114.74	102.89
6	Hang Seng Bank Limited	4.58	6.99
7	Siam Commercial Bank	73.82	62.42

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 8c. Cash and bank balances (Contd.)

(₹ in million)

S. No.	Particulars	As at December 31, 2023	As at December 31, 2022
8	Bank of China	15.43	21.35
9	Sumitomo Mitsui Banking Corporation	0.53	0.14
10	Mizuho Bank	1.23	0.95
11	The Bank of Tokyo-Mitsubishi UFJ	0.17	0.75
12	United Overseas Bank, Vietnam	0.82	-
13	Natwest Bank	140.94	101.78
14	Santander Bank Polska S.A.	94.58	50.23
15	Mobiasbanca - Groupe Societe Generale SA	21.37	12.26
16	BRD Groupe Societe Generale SA	169.49	105.63
17	CIMB Bank BHD	10.43	7.50
18	Royal Bank of Canada	49.86	53.53
19	ING Bank N.V. Amsterdam	1.68	2.08
20	Trezorerie, Romania	0.10	0.09
21	PT Bank Permata Tbk	17.46	19.39
22	PT Bank DBS Indonesia	1.86	24.64
23	DBS Bank (China) Limited	9.62	18.35
24	DBS Bank (Hong Kong) Limited	5.09	8.12
25	Credit Suisse	4.55	3.36
26	BDO Unibank Inc.	5.56	2.65
		<b>1,221.92</b>	<b>1,103.87</b>
	<b>Balance with other banks</b>		
<b>H</b>	<b>In deposit accounts</b>		
1	Mobiasbanca - Groupe Societe Generale SA	0.77	0.69
2	BRD Groupe Societe Generale SA	34.31	31.13
3	BDO Unibank Inc.	0.39	0.38
4	Natwest Bank	16.66	16.47
5	DBS Bank	51.65	1.23
6	PT Bank DBS Indonesia	32.27	15.97
7	Bridgewater Bk Saint Louis Park, MN	-	19.85
8	Truist Bank Fka 88 & T Charlotte, NC	-	19.86
9	First Foundation Bank Irvine, CA	-	19.85
10	Independent Sank Grand Rapids, MI	-	19.86
11	Bmo Harris Bank Na Chicago, IL	-	19.85
12	Mizuho Bank Usa New York, NY	-	19.86
13	Webster BK	-	19.85
14	First Republic Bank	-	19.86
15	Valley Natl BK	-	19.85
16	Amerant Bank NA	-	19.86
17	Tiaa Fsb	-	19.85
18	City National Bank	-	19.86
19	Citizens Bank NA	-	19.85
20	Northfield Bk Woodbridge, NJ	-	19.86
21	First Nan Bk Pa Greenville, PA	-	19.85
22	Glacier Bank Kalispell, MT	-	19.86
23	Capstar Bank Nashville, TN	-	19.85
24	Ally Bank Sandy. UT	-	19.85
25	Associated Bank Na Green Bay, WI	-	19.85
26	Wells Fargo Bk N A Sioux Falls, SD	-	19.85
27	Southside Bank Tyler, TX	-	19.85
		<b>136.05</b>	<b>482.80</b>
	<b>Total Cash and bank balances</b>	<b>2,696.91</b>	<b>2,567.52</b>
	Cash and cash equivalents (refer to Note 8a)	1,573.50	2,062.30
	Deposits with banks (refer to Note 8b)	316.42	502.66
	Balance in unclaimed dividend accounts (refer to Note 8b)	2.53	2.56
	Bank balance towards interim dividend (refer to Note 8b)	804.46	-
	<b>Total Cash and bank balances</b>	<b>2,696.91</b>	<b>2,567.52</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 9. Other current financial assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Staff advance	11.99	9.30
Unbilled revenue (refer to Note 22)	632.44	635.51
Security deposits	4.94	10.51
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	112.74	232.12
Mark-to-market gain on derivative instruments (refer to Note 31)	9.86	-
Interest accrued on bank deposits	0.22	1.69
Others	33.33	21.95
	<b>805.52</b>	<b>911.08</b>

## 10. Other current assets

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Balances with indirect tax authorities	105.07	74.06
Unbilled revenue (refer to Note 22)	86.51	70.86
Prepaid expenses	225.61	220.59
Advance to vendors	15.11	6.99
Tour and travel advance	2.76	3.17
	<b>435.06</b>	<b>375.67</b>

## 11. Equity share capital

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Authorised</b>		
206,000,000 (December 31, 2022: 206,000,000) equity shares of ₹ 1 each	206.00	206.00
<b>Issued, subscribed and fully paid up</b>		
118,303,445 (December 31, 2022: 118,303,445) equity shares of ₹ 1 each	118.31	118.31
	<b>118.31</b>	<b>118.31</b>

### Notes:

#### (a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year:

Particulars	Year ended December 31, 2023		Year ended December 31, 2022	
	Number of shares	₹ in million	Number of shares	₹ in million
At the beginning of the year	118,303,445	118.31	118,303,445	118.31
Changes during the year	-	-	-	-
<b>Outstanding at the closing of the year</b>	<b>118,303,445</b>	<b>118.31</b>	<b>118,303,445</b>	<b>118.31</b>

#### (b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 11. Equity share capital (Contd.)

### (c) Shares held by holding company:

Particulars	As at	As at
	December 31, 2023	December 31, 2022
BCP Asia II Topco II Pte. Ltd.	61,433,005	-

No shares are held by the ultimate holding company. Refer to Note 35 with respect to ultimate holding company.

### (d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

#### (i) Shares issued pursuant to merger of RightMatch Holdings Limited:

The scheme of amalgamation was approved by Hon'ble National Company Law Tribunal, New Delhi vide order dated February 01, 2021 and the Supreme Court of Mauritius vide order dated September 14, 2020 and amended order dated September 21, 2020, between RightMatch Holdings Limited (RightMatch) and the Company and their respective shareholders and creditors. Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme became effective on March 09, 2021 and 8,828,489 fully paid equity shares of the face value of ₹ 1/- each of the Company were issued and allotted to the equity shareholders of RightMatch in the proportion of their respective equity shareholding in RightMatch and equivalent number of shares of the Company as held by RightMatch were cancelled and extinguished.

#### (ii) Shares bought back:

During the year ended December 31, 2021, the Company bought back 1.33 million equity shares of ₹ 1 each at a price of ₹ 225/- per equity share, payable in cash for a total consideration of ₹ 299.93 million by utilising the securities premium account of ₹ 46.66 million, general reserve of ₹ 155.04 million and retained earnings to the extent of 96.90 million. The capital redemption reserve was created out of retained earnings for ₹ 1.33 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on October 14, 2021.

During the year ended December 31, 2019, the Company bought back 3.69 million equity shares of ₹ 1 each at a price of ₹ 65/- per equity share, payable in cash for a total consideration of ₹ 239.85 million by utilising the securities premium account to the extent of ₹ 236.16 million and general reserve to the extent of ₹ 3.69 million. The capital redemption reserve was created out of general reserve for ₹ 3.69 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on April 15, 2019.

### (e) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at December 31, 2023		As at December 31, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi & Harpreet Rekhi)	-	-	11,702,623	9.89
Dr. Satinder Singh Rekhi	-	-	7,403,456	6.26
Sartaj Singh Rekhi	-	-	18,676,248	15.79
Ramneet Singh Rekhi	-	-	16,236,331	13.72
BCP Asia II Topco II Pte. Ltd.	61,433,005	51.93	-	-
Bhavook Tripathi	36,508,810	30.86	42,038,395	35.53

As per secretarial records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 11. Equity share capital (Contd.)

### (f) Shareholding of promoters (refer Note below)

Name of promoter	As at December 31, 2023		As at December 31, 2022		% Change during the year ended December 31, 2023
	No. of shares held	% of Holding	No. of shares held	% of Holding	
<b>Promoters:</b>					
Dr. Satinder Singh Rekhi	-	-	7,403,456	6.26	(100%)
Harpreet Rekhi	-	-	5,099,389	4.31	(100%)
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi & Harpreet Rekhi)	-	-	11,702,623	9.89	(100%)
BCP Asia II Topco II Pte Ltd.	61,433,005	51.93	-	-	100%
<b>Promoters group:</b>					
Sartaj Singh Rekhi	-	-	18,676,248	15.79	(100%)
Ramneet Singh Rekhi	-	-	16,236,331	13.72	(100%)
Jagmohan Singh Walia	-	-	1,272,389	1.08	(100%)
Kuldeep Baldev Singh	-	-	371,908	0.31	(100%)
Anita Behl	-	-	367,525	0.31	(100%)
Amrita Rekhi	-	-	100	0.00	(100%)

#### Note:

Pursuant to the Share Purchase Agreement dated November 16, 2022, as amended on March 21, 2023 (SPA), BCP Asia II Topco II Pte. Ltd. (the "Acquirer") had acquired 61,129,969 Equity Shares, representing 51.67% of the paid up Share Capital of the Company from (i) Dr. Satinder Singh Rekhi, (ii) Mrs. Harpreet Rekhi, (iii) The Satinder and Harpreet Rekhi Family Trust, (iv) Mr. Sartaj Singh Rekhi, (v) Mr. Ramneet Singh Rekhi, (vi) Mr. Jagmohan Singh Walia, (vii) Mrs. Amrita Rekhi, (viii) Mrs. Kuldeep Baldev Singh and (ix) Mrs. Anita Behl (Outgoing Promoter & Promoter Group). In addition, the Acquirer had also acquired 303,036 Equity Shares, from public shareholders, under the Composite Offer vide Letter of Offer dated April 10, 2023. The shareholding of the Acquirer post the acquisition under the SPA and Composite Offer is 61,433,005, representing 51.93% of the paid up share capital of the Company. Pursuant to aforesaid acquisition of shares by Acquirer, the Acquirer has become the Promoter of the Company and the Outgoing Promoter and Promoter Group have ceased to be the Promoter of the Company.

### (g) Employees Stock Option Plan:

On November 15, 2023 Shareholders of the Company, upon approval of the Board of Directors of the Company and recommendation of the Nomination, Remuneration and Compensation Committee ("NRCC"), have approved R Systems International Limited Management Incentive Plan 2023 ("Plan") to grant the eligible employees of the Company and its subsidiaries, such number of employee stock options ("Options") and restricted stock units ("RSUs") exercisable into not more than 8,000,000 (eight million) equity shares of face value ₹ 1/- each, being 6.3% (six point three percent) of the paid-up equity capital of the Company (subject to any adjustments, as may be required due to any corporate action or change in control of the Company), at such price and on such terms and conditions as may be fixed or determined by the NRCC in accordance with Applicable Laws.

Subsequent to the year ended December 31, 2023, NRCC at its meetings held on January 17, 2024 and February 15, 2024, has approved the grant of 5,349,768 (Fifty Three Lakhs Forty Nine Thousand Seven Hundred Sixty Eight only) RSUs to the identified employees of the Company and subsidiaries under the Plan.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 12. Other equity

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>a. Capital reserve under common control</b>	(0.34)	(0.34)
Capital reserve under common control represent reserves recorded upon business transfer under common control.		
<b>b. Capital reserve other</b>	0.03	0.03
Capital reserve other represent excess of the net assets of subsidiary over the value of the amount of the consideration paid in the consolidated financial statements.		
<b>c. Capital redemption reserve</b>	5.02	5.02
Capital redemption reserve was created by transfer from general reserve of an amount equal to the nominal value of equity shares bought back by the Company. It is utilised in accordance with the provisions of the Companies Act, 2013.		
<b>d. Retained earnings</b>	5,386.98	4,796.39
Retained earnings comprises undistributed earnings after taxes.		
<b>e. Other comprehensive income</b>		
<b>Foreign currency translation reserve</b>	604.37	535.28
Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
<b>Other equity</b>	<b>5,996.06</b>	<b>5,336.39</b>

### Note:

(1) Year-wise movement of the individual line items above is given in the Consolidated Statement of Changes in Equity.

## 13. Borrowings (non-current) (at amortised cost)

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Term loans		
- Motor vehicle loan from non banking financial corporation (secured)	27.58	20.44
Less:		
Current maturities of term loans (disclosed under Note 17)	10.64	7.21
	<b>16.94</b>	<b>13.23</b>

### Notes:

Motor vehicle loans are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 7.30% to 9.48% per annum. The term loans are repayable in equated monthly instalments ranging from 36 to 60 months from the date of loan.

## 14. Lease liabilities

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Current	101.45	84.69
Non-current	631.14	666.11
	<b>732.59</b>	<b>750.80</b>



# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 14. Lease liabilities (Contd.)

**Movement schedule of lease liabilities is as follows:**

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
Opening balance	750.80	566.70
Addition through Acquisitions (refer to Note 37)	25.88	-
Additions during the year	48.13	260.65
Interest accrued on lease liabilities	62.05	46.80
Modification of lease	(11.62)	(1.14)
Cancellation/termination of lease	-	(0.97)
Payment of lease liabilities	(149.14)	(118.54)
Lease rent concession	-	(7.47)
Effect of foreign exchange fluctuation / translation	6.49	4.77
<b>Closing balance</b>	<b>732.59</b>	<b>750.80</b>

Rental expense recorded for short-term leases was ₹ 21.18 million (previous year ₹ 24.08 million) for the year ended December 31, 2023.

## 15. Other non-current financial liabilities

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
Security deposit	12.01	8.76
	<b>12.01</b>	<b>8.76</b>

## 16. Provisions (non-current)

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
<b>Provision for employee benefits</b>		
- Gratuity	282.00	207.95
	<b>282.00</b>	<b>207.95</b>

Refer to Note 24 for detailed disclosures for gratuity.

## 17. Borrowings (current)

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
<b>Secured</b>		
Cash credit facility from scheduled banks (refer Note below)		
ICICI Bank Limited	263.79	-
Axis Bank Limited	287.81	-
Current maturities of term loans	10.64	7.21
	<b>562.24</b>	<b>7.21</b>

**Notes:**

- Cash credit limit / bank guarantee / loan equivalent risk / letter of credit is secured by pari-passu charge by way of hypothecation of entire current assets and movable fixed assets (excluding vehicles). The quarterly statements filed by the company with the banks are in agreement with the books of account.
- Cash credit facility from ICICI Bank Limited is repayable on demand and carries interest @ 6 months I-MCLR plus spread of 0.50% p.a.
- Cash credit facility from Axis Bank Limited is repayable on demand and carries interest @ 3 months MCLR.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 18. Trade payables

### Trade payable ageing schedule:

(₹ in million)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at December 31, 2023</b>					
Micro enterprises and small enterprises	-	-	-	-	-
Others	160.10	-	-	0.77	<b>160.87</b>
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	<b>160.10</b>	<b>-</b>	<b>-</b>	<b>0.77</b>	<b>160.87</b>
Accrued expenses					<b>209.89</b>
<b>Total</b>					<b>370.76</b>
<b>As at December 31, 2022</b>					
Micro enterprises and small enterprises	-	-	-	-	-
Others	164.74	1.09	0.10	0.76	<b>166.69</b>
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	<b>164.74</b>	<b>1.09</b>	<b>0.10</b>	<b>0.76</b>	<b>166.69</b>
Accrued expenses					<b>189.18</b>
<b>Total</b>					<b>355.87</b>

### Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, 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 Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 19. Other current financial liabilities

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Security deposits received	12.31	9.96
Unclaimed dividend	2.53	2.56
Mark-to-market loss on derivative instruments (refer to Note 31)	0.46	98.07
Employee benefits payable	746.87	438.01
Capital creditors	0.65	21.97
Interim dividend payable	689.55	-
Advance from customers	15.14	8.65
Payable for acquisition of subsidiary (refer to Note 37)	56.67	-
Interest accrued but not due	2.97	-
Other financial liabilities	8.00	9.50
	<b>1,535.15</b>	<b>588.72</b>

## 20. Other current liabilities

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Tax deducted on dividend	114.91	-
Other statutory dues payable	221.85	199.42
Unearned revenues (refer to Note 22)	297.45	389.96
	<b>634.21</b>	<b>589.38</b>

## 21. Provisions (current)

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Provision for employee benefits</b>		
- Gratuity	23.34	24.43
- Compensated absences	317.05	279.27
Provision for CSR	1.76	-
	<b>342.15</b>	<b>303.70</b>

Refer to Note 24 for detailed disclosures for gratuity.

## 22. Revenue from operations

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Sale of services	16,845.18	15,158.31
	<b>16,845.18</b>	<b>15,158.31</b>

### Disaggregate revenue information

The table below presents disaggregated revenues from the Group's contracts with customers by geography and customer's industry type. The Group believes this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 22. Revenue from operations (Contd.)

### Revenue by geography:

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
India	317.46	285.40
North America	12,462.54	11,246.63
South East Asia	2,153.73	1,901.45
Europe	1,693.60	1,574.88
Others	217.85	149.95
	<b>16,845.18</b>	<b>15,158.31</b>

### Revenue by customer's industry type :

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
Independent Software Vendor (ISV)	3,726.10	3,089.98
Healthcare	2,430.85	2,167.19
Manufacturing and Logistics	1,811.18	1,594.25
Telecom, Media & Entertainment (TME)	3,051.37	2,851.37
Banking, Finance & Insurance (BFSI)	2,627.22	2,485.58
Other Services	3,198.46	2,969.94
	<b>16,845.18</b>	<b>15,158.31</b>

### Trade receivables and contract balances

The Group classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue.

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

### Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Group expects to recognise these amounts as revenue. Applying the practical expedients as given in IND AS 115, the Group has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialised and adjustments for currency.

Disclosure relating to remaining performance obligation relating to fixed bid price contracts require the aggregate amounts of transaction price yet to be recognised as revenue at the reporting date and expected timelines to recognise these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 23. Other income

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Interest income on		
- Bank deposit	65.73	39.42
- Financial instruments measured at amortised cost	1.50	1.03
- Others	0.11	-
Rental income from investment property	6.72	6.72
Foreign exchange fluctuation (net)	23.15	-
Liability no longer required written back	5.38	-
Profit on sale of property, plant and equipment (net)	-	3.28
Profit on cancellation of leases (net)	-	0.20
Lease rent concession (refer to Note 14)	-	7.47
Net gain on fair value of investment in associates (refer to Note 37)	2.04	-
Net gain on disposal / fair valuation of investments	4.62	6.40
Other fair value gain on contingent consideration (refer to Note 36)	-	25.79
Miscellaneous income	6.08	12.58
	<b>115.33</b>	<b>102.89</b>

## 24. Employee benefits expense

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, wages and bonus	10,464.39	9,408.89
Gratuity expenses	62.35	49.00
Contribution to social security plans	529.27	478.19
Staff welfare expenses	279.34	257.97
	<b>11,335.35</b>	<b>10,194.05</b>

### (a) The Code on Social Security, 2020 (the 'Code')

The Code relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company and its subsidiaries in India will assess the impact of the Code and corresponding rules, and will record any related impact in the period when they become effective.

### (b) Gratuity

The Company and its subsidiaries in India has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with the "Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company.

Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Service cost	45.47	37.24
Net interest cost	16.88	11.76
<b>Net gratuity expense recognised in statement of profit and loss</b>	<b>62.35</b>	<b>49.00</b>
<b>Re-measurement loss / (gain) recognised in other comprehensive income</b>	<b>8.96</b>	<b>(6.72)</b>
<b>Total cost recognised in total comprehensive income</b>	<b>71.31</b>	<b>42.28</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 24. Employee benefits expense (Contd.)

### Details of defined benefit gratuity plan:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Defined benefit obligation	324.16	243.42
Fair value of plan assets	18.82	11.04
<b>Net defined benefit obligation</b>	<b>305.34</b>	<b>232.38</b>

Changes in the defined benefit obligation are as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Opening defined benefit obligation	243.42	226.26
Added through Acquisition (refer Note 37)	32.52	-
Service cost	45.47	37.24
Interest cost	17.70	13.17
Benefits paid	(26.19)	(23.90)
Actuarial (gains) / losses on obligation	11.24	(9.35)
<b>Closing defined benefit obligation</b>	<b>324.16</b>	<b>243.42</b>

Changes in the fair value of plan assets are as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Opening fair value of plan assets	11.04	22.59
Expected return	0.82	1.41
Contributions by the employer	30.63	13.57
Benefits paid	(25.96)	(23.90)
Actuarial gains / (losses) on plan assets	2.29	(2.63)
<b>Closing fair value of plan assets</b>	<b>18.82</b>	<b>11.04</b>

### Amounts recognised in other comprehensive income:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Actuarial (gain) / loss due to change in demographic assumption of defined benefit obligation	-	-
Actuarial (gain) / loss due to change in financial assumption of defined benefit obligation	3.22	(19.81)
Actuarial (gain) / loss from change in experience adjustment of defined benefit obligation	8.02	10.46
Return on plan assets (greater) / less than discount rate	(2.28)	2.63
<b>Re-measurement loss / (gain) recognised in OCI</b>	<b>8.96</b>	<b>(6.72)</b>

### Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions is given below:

(₹ in million)

Defined Benefit Obligation	As at December 31, 2023	As at December 31, 2022
<b>Discount rate</b>		
a. Discount rate - 100 basis points	346.37	260.33
b. Discount rate + 100 basis points	304.49	228.49
<b>Salary increase rate</b>		
a. Rate - 100 basis points	306.80	230.18
b. Rate + 100 basis points	342.33	257.41

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 24. Employee benefits expense (Contd.)

### Maturity Profile of Defined Benefit Obligation

(₹ in million)

Expected Future Cash flows (undiscounted)	As at December 31, 2023	As at December 31, 2022
Year 1	42.17	35.47
Year 2	38.13	27.76
Year 3	39.41	27.09
Year 4	35.99	28.63
Year 5	30.12	23.21
Year 6 to10	131.70	89.82
Year 10 +	261.35	215.16

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at December 31, 2023	As at December 31, 2022
Investments with Life Insurance Corporation of India	100%	100%

The principal assumptions used in determining defined benefit obligation are shown below:

#### (A) Financial Assumptions

Particulars	As at December 31, 2023	As at December 31, 2022
Discount rate	7.20% - 7.31%	7.43%
Salary Increment rate	Up to 10%	First year 10%, thereafter 7%

#### (B) Demographic Assumptions

Particulars	As at December 31, 2023	As at December 31, 2022
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate - Average	10% to 25%	10% to 25%
Retirement age	60 Yrs.	60 Yrs.

## 25. Finance costs

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense on borrowings	24.25	1.16
Interest expense on lease liabilities (refer to Note 14)	62.05	46.80
Interest expense on fair value of contingent consideration (refer to Note 36)	-	0.77
Interest expense under income tax	3.20	0.25
	<b>89.50</b>	<b>48.98</b>

## 26. Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Depreciation on property, plant and equipment	263.37	216.05
Depreciation on investment property	1.47	1.47
Depreciation on right-of-use assets	131.50	111.01
Amortisation of intangible assets	147.70	21.25
	<b>544.04</b>	<b>349.78</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 27. Other expenses

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Power and fuel	55.00	52.59
Rent - premises	62.63	62.08
Software subscription charges	216.53	174.75
Repair and maintenance	73.98	72.35
Commission	4.66	7.64
Travelling and conveyance	252.42	201.89
Communication costs	115.65	129.61
Legal and professional fees (including subcontracting expenses)	1,437.77	1,495.80
Cost of third party items	295.01	267.83
Auditors' remuneration (refer detail below)	29.08	24.66
Foreign exchange fluctuation (net)	-	79.47
Provision for doubtful debts (net)	68.98	50.84
Advance written off	-	1.03
Loss on sale / discarding of property, plant and equipment (net)	4.48	-
Contribution towards corporate social responsibility (refer detail below)	23.27	17.60
Miscellaneous expenses	346.90	328.68
	<b>2,986.36</b>	<b>2,966.82</b>

### (i) Detail of auditors remuneration

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
As auditor of the Company:		
- Statutory audit fee	2.40	2.26
- Quarterly audit / limited review fee	3.30	3.06
- Certification	0.45	0.38
- Out-of-pocket expenses	0.72	0.60
Audit & other fees to the subsidiaries auditors	22.21	18.36
	<b>29.08</b>	<b>24.66</b>

### (ii) Contribution towards corporate social responsibility (CSR)

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Amount required to be spent by the Company during the year	23.27	17.59
Amount spend by the Company	23.27	17.60
Shortfall at the end of the year	-	-

#### Nature of CSR activities:

The Company has spend on the following projects/initiatives:

- Promotion and training of nationally recognised sports and Olympic sports.
- Promoting and imparting education including special education, skill development etc.
- Providing support for orphans and disabled children.
- Women skill empowerment and skill development.
- Environmental sustainability.
- Research, Development and Education in the area of science and technology.



# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 28. Income tax

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
<b>Current income tax</b>		
In respect of the current year	607.58	403.06
In respect of the prior periods	6.01	(15.87)
<b>Deferred tax credit</b>	(14.43)	(82.43)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>599.16</b>	<b>304.76</b>
<b>Income tax recognised in other comprehensive income</b>		
Deferred tax relating to re-measurements of the defined benefit plans	(2.95)	2.35
	<b>596.21</b>	<b>307.11</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Profit before tax	2,000.22	1,701.57
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	698.96	594.60
<b>Tax effect of:</b>		
Income exempt from tax	(240.20)	(268.49)
Temporary differences reversing during the tax holiday period	(3.41)	29.55
Temporary differences not recognised in earlier year	6.25	(4.85)
Expenses that are not deductible in determining taxable profit	86.07	9.42
Different tax rates of other tax jurisdictions	49.90	(36.15)
True-up of tax provisions related to previous years	6.01	(15.87)
Others	(4.42)	(3.45)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>599.16</b>	<b>304.76</b>

### Deferred tax

Deferred tax assets / (liabilities) as at December 31, 2023 in relation to:

(₹ in million)

Particulars	As at January 01, 2023	Added through Acquisition (refer to Note 37)	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	Foreign currency translation difference	As at December 31, 2023
Property, plant and equipment and Intangible assets	(19.46)	(0.28)	11.56	-	-	0.06	(8.12)
Right-of-use assets and lease liabilities	31.11	0.55	15.27	-	-	0.01	46.94
Provision for doubtful debts	6.84	2.71	9.66	-	-	0.01	19.22
Difference on account of Revenue Recognition	(2.84)	-	0.86	-	-	0.24	(1.74)
Provision for gratuity	81.21	8.19	10.38	2.95	-	-	102.73
Other employee benefits	93.82	59.22	(12.27)	-	-	0.48	141.25
Mark-to-market loss / (gain) on derivative instruments	21.11	0.41	(23.59)	-	-	-	(2.07)
Net gain arising on financial assets measured at FVTPL	(2.01)	-	2.01	-	-	-	-
MAT credit entitlement or Minimum corporate tax	0.23	-	8.12	-	4.34	-	12.69
Tax Losses	4.42	-	(1.93)	-	-	0.01	2.50
Other Differences	5.44	-	(5.64)	-	-	0.24	0.04
<b>Total</b>	<b>219.87</b>	<b>70.80</b>	<b>14.43</b>	<b>2.95</b>	<b>4.34</b>	<b>1.05</b>	<b>313.44</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 28. Income tax (Contd.)

Deferred tax assets / (liabilities) as at December 31, 2022 in relation to:

(₹ in million)

Particulars	As at January 01, 2022	Added through Acquisition	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	Foreign Currency translation difference	As at December 31, 2022
Property, plant and equipment and Intangible assets	(11.45)	-	(9.24)	-	-	1.23	(19.46)
Right-of-use assets and lease liabilities	20.82	-	10.27	-	-	0.02	31.11
Provision for doubtful debts	2.25	-	4.51	-	-	0.08	6.84
Difference on account of Revenue Recognition	(4.08)	-	1.35	-	-	(0.11)	(2.84)
Provision for gratuity	71.16	-	12.40	(2.35)	-	-	81.21
Other employee benefits	78.99	-	12.76	-	-	2.07	93.82
Mark-to-market loss / (gain) on derivative instruments	(14.27)	-	35.38	-	-	-	21.11
Net gain arising on financial assets measured at FVTPL	(7.77)	-	5.76	-	-	-	(2.01)
MAT credit entitlement or Minimum corporate tax	28.96	-	9.52	-	(38.25)	-	0.23
Tax Losses	7.77	-	(3.97)	-	-	0.62	4.42
Adjustment for change in the tax accounting method	(2.41)	-	2.54	-	-	(0.13)	-
Other Differences	4.11	-	1.15	-	-	0.18	5.44
<b>Total</b>	<b>174.08</b>	<b>-</b>	<b>82.43</b>	<b>(2.35)</b>	<b>(38.25)</b>	<b>3.96</b>	<b>219.87</b>

The Group has not recognised deferred tax assets on the following due to its uncertainty of its recoverability:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
Unused tax losses of foreign jurisdiction *	1,825.93	1,809.51

\*The unused tax losses will expire based on tax laws of the relevant jurisdictions which is subject to the agreement with the Income Tax Authorities.

The Group has two units at Greater Noida registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

A portion of the profits of the Group's operations are exempt from income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the "Special Economic Zones Act, 2005", units in designated SEZ providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for the next five years. The tax benefits are also available for a further five years post initial ten years subject to the unit meeting defined conditions.

## 29. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. The Company did not have any potentially dilutive securities in any of the years presented.

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Net profit after tax (₹ in million)	1,401.06	1,396.81
Weighted average number of equity shares for calculating Basic and Diluted EPS	118,303,445	118,303,445
Earnings per share (Equity share of par value of ₹ 1/- each)		
Basic and Diluted (₹)	11.84	11.81

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 30. Financial instruments

The carrying values and fair values of financial instruments by categories are as follows:

(₹ in million)

Particulars	Note reference	Basis of measurement	As at		As at		Fair value hierarchy
			December 31, 2023		December 31, 2022		
			Carrying value	Fair value	Carrying value	Fair value	
<b>Assets</b>							
Investments in other equity instruments	4	FVTPL	0.03	0.03	0.03	0.03	Level 3
Investments in mutual funds	4	FVTPL	-	-	138.65	138.65	Level 1
Trade receivables	7	Amortised cost	2,503.99	2,503.99	2,570.88	2,570.88	
Cash and cash equivalents	8a	Amortised cost	1,573.50	1,573.50	2,062.30	2,062.30	
Other bank balances	8b	Amortised cost	943.69	943.69	242.90	242.90	
Mark-to-market gain on derivative instruments	9	FVTPL	9.86	9.86	-	-	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	910.80	910.80	976.65	976.65	
<b>Total</b>			<b>5,941.87</b>	<b>5,941.87</b>	<b>5,991.41</b>	<b>5,991.41</b>	
<b>Liabilities</b>							
Borrowings	13,17	Amortised cost	579.18	579.18	20.44	20.44	
Lease liabilities	14	Amortised cost	732.59	732.59	750.80	750.80	
Trade payables	18	Amortised cost	370.76	370.76	355.87	355.87	
Mark-to-market loss on derivative instruments	19	FVTPL	0.46	0.46	98.07	98.07	Level 2
Other financial liabilities (Other than derivative instruments)	15,19	Amortised cost	1,546.70	1,546.70	499.41	499.41	
<b>Total</b>			<b>3,229.69</b>	<b>3,229.69</b>	<b>1,724.59</b>	<b>1,724.59</b>	

### Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

## 31. Financial risk management

### Financial risk factors and risk management objectives

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

### Market risk

The primary market risk to the Group is foreign exchange risk and interest rate risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by team that has the appropriate skills, experience coupled with appropriate supervision. It is the Group's policy that no trading in derivative for speculative purposes shall be undertaken.

#### Foreign currency risk

The Group's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars). A significant portion of the Group's revenues are in foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Group's revenues measured in Rupees may decrease or vice versa.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 31. Financial risk management (Contd.)

### Derivative financial instruments

The Group holds foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Group has not applied hedge accounting as these forward contracts do not qualify for hedge accounting. As at December 31, 2023, the Group has recognised mark-to-market assets (net) of ₹ 9.40 million (previous year: mark-to-market liability of ₹ 98.07 million) relating to aforesaid foreign currency forward contracts. Further, the group has acquired mark-to-market liability of ₹ 1.63 million through Velotio acquisition (refer to Note 37). This resulted into mark-to-market gain of ₹ 109.10 million (previous year mark-to-market loss of ₹ 149.87 million) for the year ended December 31, 2023 recorded as foreign exchange fluctuation.

The following table gives details in respect of outstanding foreign currency forward contracts:

Particulars	As at December 31, 2023	As at December 31, 2022
<b>USD</b>		
Foreign currency (million)	39.15	42.20
Average rate	84.07	81.39
Rupees (million)	3,291.15	3,434.56
<b>EURO</b>		
Foreign currency (million)	2.70	2.40
Average rate	93.38	88.87
Rupees (million)	252.12	213.29

The following table analyses Group's foreign currency exposure from non-derivative financial instruments as of December 31, 2023 and December 31, 2022:

(₹ in million)

As at December 31, 2023	Designated in foreign currency			Total
	USD	EURO	Others <sup>#</sup>	
Trade receivables	1,400.28	41.17	72.93	1,514.38
Other financial assets	1.48	-	1.72	3.20
Cash and cash equivalents and bank balances	394.02	7.19	7.14	408.35
Trade and other payables	126.68	0.00	34.01	160.69

(₹ in million)

As at December 31, 2022	Designated in foreign currency			Total
	USD	EURO	Others <sup>#</sup>	
Trade receivables	1,438.59	164.62	42.71	1,645.92
Other financial assets	0.44	-	1.66	2.10
Cash and cash equivalents and bank balances	435.88	153.66	4.41	593.95
Trade and other payables	96.06	272.77	9.86	378.69

<sup>#</sup> Others include currencies such as SGD, GBP, CAD, CHF, PHP etc.

### Foreign currency sensitivity analysis

For the year ended December 31, 2023 and December 31, 2022, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Group's profit before tax margin by approximately 0.87% and 1.08%, respectively.

### Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group cash flows as well as costs. The Group has availed floating rate borrowings in the form working capital demand loan and cash credit facility. For the year ended December 31, 2023, every one percentage increase / decrease in interest rates, would result in decrease / increase Company's profit before tax margin by approximately 0.28%. There were no floating rate borrowings in the previous year.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 31. Financial risk management (Contd.)

### 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 investment securities. Credit risk arises from deposits held with banks, investments with financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

(₹ in million)

Particulars	Year ended	Year ended
	December 31, 2023	December 31, 2022
Revenue from top customer	1,104.01	1,009.16
Revenue from top 5 customers	2,841.10	2,311.96

No customer accounted for more than 10% of the revenue for the year ended December 31, 2023 and December 31, 2022. Further, there is one customer account for more than 10% of the receivable as at December 31, 2023 and one customer had more than 10% of the receivable as at December 31, 2022.

#### Investments including bank deposits

Credit risk on cash and bank balance is limited as the Group generally invests in deposits with banks. The Group does not expect any losses from non-performance by the counterparties.

### Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements.

As at December 31, 2023, the Group had a working capital of ₹ 2,578.80 million including cash and cash equivalents and current fixed deposits of ₹ 1,822.94 million. As at December 31, 2022, the Group had a working capital of ₹ 4,321.74 million including cash and cash equivalents and current fixed deposits of ₹ 2,534.76 million and current investments of ₹ 138.65 million. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities:

(₹ in million)

Particulars	As at December 31, 2023					Total
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	
Borrowings	564.18	9.81	5.85	3.04	-	<b>582.88</b>
Lease liabilities	160.51	135.04	99.84	164.90	585.70	<b>1,145.99</b>
Trade payables	370.76					<b>370.76</b>
Other financial liabilities	1,535.15	12.01				<b>1,547.16</b>
	<b>2,630.60</b>	<b>156.86</b>	<b>105.69</b>	<b>167.94</b>	<b>585.70</b>	<b>3,646.79</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 31. Financial risk management (Contd.)

(₹ in million)

Particulars	As at December 31, 2022					Total
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	
Borrowings	8.61	7.34	4.58	2.63	-	<b>23.16</b>
Lease liabilities	140.30	114.66	108.00	177.35	669.40	<b>1,209.71</b>
Trade payables	355.87	-	-	-	-	<b>355.87</b>
Other financial liabilities	588.72	8.76	-	-	-	<b>597.48</b>
	<b>1,093.50</b>	<b>130.76</b>	<b>112.58</b>	<b>179.98</b>	<b>669.40</b>	<b>2,186.22</b>

## 32. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective, when managing capital, is to maintain an optimal structure so as to maximise shareholder value. The capital structure is as follows:

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022
<b>Total equity attributable to the equity share holders of the Group</b>	<b>6,114.37</b>	<b>5,454.70</b>
<b>As percentage of total capital</b>	<b>82.34%</b>	<b>87.61%</b>
Term loans for motor vehicles (including current maturities)	27.58	20.44
Working capital loans from banks	551.60	-
Lease liabilities (including current maturities)	732.59	750.80
<b>Total borrowings and lease liabilities</b>	<b>1,311.77</b>	<b>771.24</b>
<b>As percentage of total capital</b>	<b>17.66%</b>	<b>12.39%</b>
<b>Total capital (equity, borrowings and lease liabilities)</b>	<b>7,426.14</b>	<b>6,225.94</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 33. Financial Ratios

Ratio/Measure	Numerator	Denominator	Year ended December 31, 2023	Year ended December 31, 2022	% Variance	Reason for variance
a. Current Ratio (times)	Current assets	Current liabilities	1.70	3.18	-46.58%	Due to increase in short-term borrowings
b. Debt-Equity Ratio (%)	Total Debt (borrowings + lease liabilities)	Shareholders' equity	21.45%	14.14%	51.74%	Due to increase in short-term borrowings
c. Debt Service Coverage Ratio (times)	Earnings available for debt service <sup>1</sup>	Debt service <sup>2</sup>	11.03	15.72	-29.82%	Due to increase in debt service cost on account of increase in interest expense and lease payments
d. Return on Equity Ratio (%)	Profit for the year	Average shareholders' equity	24.22%	27.78%	-12.80%	
e. Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivable	6.64	6.97	-4.73%	
f. Trade payables turnover ratio (times)	Total purchases <sup>3</sup>	Average trade payables	8.64	8.55	1.05%	
g. Net capital turnover ratio (times)	Revenue from operations	Average working capital	14.01	11.56	21.22%	
h. Net profit ratio (%)	Profit for the year	Revenue from operations	8.32%	9.21%	-9.74%	
i. Return on Capital employed (%)	Earning before interest and taxes	Capital employed <sup>4</sup>	28.10%	28.11%	-0.06%	
j. Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Weighted average investments <sup>5</sup>	5.27%	3.71%	42.08%	Mainly on account of higher interest rate on investments.

### Notes:

- Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses
- Debt service = Interest & Lease Payments + Principal Repayments
- Total purchases = Other expenses - CSR - Provision for doubtful debts - Loss on sale/discard of property, plant and equipment + staff welfare expenses
- Capital Employed = Shareholders' equity + Total Debt
- Weighted average investment is the weighted average of amount invested in fixed deposits and mutual funds.

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 34. Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided. The CODM has identified the following as its reportable segments.

- Information technology services
- Business process outsourcing services (Knowledge services)

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities of the Group are used interchangeably between segments and the CODM does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.

Geographic segments are based on the areas in which the major customers of the Group operate. Although the Group's major operating divisions are managed on a worldwide basis, they operate in four principal geographical areas of the world which are: India, North America, South East Asian countries and Europe.

The following table provides required information for reportable segments for the year ended December 31, 2023 and December 31, 2022:

(₹ in million)

Particulars	Information technology services		Business process outsourcing services		Eliminations		Corporate and others		Total	
	Year ended									
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>REVENUE</b>										
External sales	15,123.17	13,997.18	1,722.01	1,161.13					16,845.18	15,158.31
Inter-segment sales			61.55	47.16	61.55	47.16				
<b>Total revenue</b>	<b>15,123.17</b>	<b>13,997.18</b>	<b>1,783.56</b>	<b>1,208.29</b>	<b>61.55</b>	<b>47.16</b>			<b>16,845.18</b>	<b>15,158.31</b>
<b>RESULTS</b>										
Segment results	1,517.54	1,464.62	780.57	358.01					2,298.11	1,822.63
Unallocated corporate expenses							(284.08)	(151.45)	(284.08)	(151.45)
<b>Operating profit</b>									<b>2,014.03</b>	<b>1,671.18</b>
Finance costs							(89.50)	(48.98)	(89.50)	(48.98)
Interest income							67.34	40.45	67.34	40.45
Other unallocable income							13.39	38.92	13.39	38.92
Share of net profit / (loss) of associates accounted for using the equity method (refer to Note 37)							(5.04)	-	(5.04)	-
Tax expense							(599.16)	(304.76)	(599.16)	(304.76)
<b>Profit for the year</b>									<b>1,401.06</b>	<b>1,396.81</b>
<b>Other segment Information</b>										
Depreciation and amortisation	531.43	340.54	11.14	7.77			1.47	1.47	<b>544.04</b>	<b>349.78</b>

Refer to Note 22 for geography-wise revenue.

Refer to Note 31 on financial risk management for information on revenue from major customers.



# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 35. Related Party Disclosures

- (i) Names of related parties (refer to Note 1 for 'R Systems Group')

Ultimate holding company	BCP Asia II Holdco II Pte. Ltd. (w.e.f. May 10, 2023)
Holding company	BCP Asia II TOPCO II Pte. Ltd. (w.e.f. May 10, 2023)

- (ii) Names of other related parties with whom transactions have taken place during the year ended December 2023:

Key management personnel	a. Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer (resigned w.e.f. May 10, 2023)
	b. Nitesh Bansal, Managing Director & Chief Executive Officer (appointed w.e.f. May 30, 2023)
	c. Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director (ceased to be director and key management personnel w.e.f. May 10, 2023)
	d. Avirag Jain, Director & Chief Technology Officer (ceased to be director and key management personnel w.e.f. May 10, 2023)
	e. Ruchica Gupta, Chairperson & Non-Executive Independent Director
	f. Kapil Dhameja, Non-Executive Independent Director
	g. Aditya Wadhwa, Non-Executive Independent Director
	h. Mukesh Mehta, Non-Executive Director (appointed w.e.f. May 10, 2023)
	i. Amit Dalmia, Non-Executive Director (appointed w.e.f. May 10, 2023)
	j. Animesh Agarwal, Non-Executive Director (appointed w.e.f. May 10, 2023)
	k. Nand Sardana, Chief Financial Officer
Close family member of Key management Personnel	l. Bhasker Dubey, Company Secretary & Compliance Officer
	a. Ramneet Singh Rekhi, (related to Dr. Satinder Singh Rekhi) President – R Systems (ceased to be related party w.e.f. May 10, 2023)
	b. Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Chief Operating Officer – R Systems USA Operations (ceased to be related party w.e.f. May 10, 2023)
	c. Kuldeep Baldev Singh [related to Lt. Gen. Baldev Singh (Retd.)] (ceased to be related party w.e.f. May 10, 2023)
	d. Harpreet Rekhi, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023)
	e. Sartaj Singh Rekhi, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023)
	f. Amrita Rekhi, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023)
Other forming part of promoter or promoter group (not specified above)	g. Anita Behl, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023)
	a. The Satinder and Harpreet Rekhi Family Trust, USA (ceased to be related party w.e.f. May 10, 2023)
Person having shareholding of 20% or more, directly or indirectly (not specified above)	b. Jagmohan Singh Walia (ceased to be related party w.e.f. May 10, 2023)
	a. Bhavook Tripathi

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 35. Related Party Disclosures (Contd.)

Details of transactions with related parties for the year ended December 31, 2023, and December 31, 2022:

(₹ in million)

	Year ended December 31, 2023	Year ended December 31, 2022
<b>Remuneration</b>		
Short term employee benefits	168.58	203.03
Post-employment benefits	0.35	0.15
Other long-term employee benefits	5.24	0.53
Sitting fee to independent directors	1.75	1.19
<b>Total</b>	<b>175.92</b>	<b>204.90</b>
<b>Dividend Paid (refer to Note 38)</b>		
The Satinder and Harpreet Rekhi Family Trust, USA	-	76.07
Sartaj Singh Rekhi	-	121.40
Ramneet Singh Rekhi	-	105.54
Dr. Satinder Singh Rekhi	-	48.12
Mandeep Singh Sodhi	-	3.09
Lt. Gen. Baldev Singh (Retd.)	-	0.05
Kuldeep Baldev Singh	-	2.42
Anita Behl	-	2.39
Harpreet Rekhi	-	33.15
Amrita Rekhi	-	0.00*
Nand Sardana	-	1.27
Avirag Jain	-	0.00*
Jagmohan Singh Walia	-	8.27
Bhavook Tripathi	-	284.96
<b>Total</b>	<b>-</b>	<b>686.73</b>
<b>Rent</b>		
Dr. Satinder Singh Rekhi and Harpreet Rekhi	5.87	15.50
<b>Total</b>	<b>5.87</b>	<b>15.50</b>

\*Dividend paid to: (a) Amrita Rekhi ₹ 650; (b) Avirag Jain ₹ 650.

Outstanding balances of related parties as at December 31, 2023 and December 31, 2022:

(₹ in million)

<b>Balance outstanding</b>	<b>As at December 31, 2023</b>	<b>As at December 31, 2022</b>
<b>Balance payable to key management personnel</b>		
Dr. Satinder Singh Rekhi	-	21.73
Nitesh Bansal	30.15	-
Lt. Gen. Baldev Singh (Retd.)	-	2.00
Avirag Jain	-	2.90
Nand Sardana	2.62	2.40
<b>Total</b>	<b>32.77</b>	<b>29.03</b>

## Notes

to Consolidated Financial Statements for the year ended December 31, 2023

- 36.** R Systems, Inc. (a wholly owned subsidiary of the RSIL) had completed the acquisition of 100% interest in Innovizant LLC, (Innovizant) effective January 1, 2019. R Systems, Inc. paid USD 1.37 million during year ended December 31, 2019. The management estimated that R Systems, Inc. is required to pay USD 1.91 million (Contingent consideration) over the next three years based on fulfilment of certain conditions and contingent consideration of USD 1.47 million was recorded at amortised cost by applying a discount rate of 10.40% p.a.

During the year ended December 31, 2019, and December 31, 2020, R Systems, Inc. had recorded interest on fair value of contingent consideration to the tune of ₹ 10.91 million (USD 0.16 million) and ₹ 12.49 million (USD 0.17 million), respectively. Further basis the conditions specified in the agreement and subsequent amendment thereof, the management had reversed the earn out payable amounting to ₹ 88.03 million (USD 1.19 million) which was not due to the ex-shareholder of Innovizant as at December 31, 2020 and the balance contingent consideration at amortised cost was ₹ 44.27 million (USD 0.61 million).

During the year ended December 31, 2021, and December 31, 2022, R Systems, Inc. has further recorded interest on fair value of contingent consideration amounting to ₹ 4.65 million (USD 0.63 million) and ₹ 0.77 million (USD 0.10 million). Basis the addendum dated February 24, 2022, R Systems, Inc. has settled this liability by paying ₹ 27.46 million (USD 0.35 million) and reversed the balance contingent consideration amounting to ₹ 25.79 million (USD 0.33 million) as "Other fair value gain on contingent consideration" under Other Income.

### 37. Business Combination

- a. On July 3, 2023, the Company has completed the acquisition of 100% equity shares of Velotio Technologies Private Limited ("Velotio") at a consideration of ₹ 2,693.74 million.

Further, the previous shareholders of Velotio hold 123,850 outstanding optionally convertible redeemable preference shares ("OCRPS") which are valued at ₹ 2,407.00 million based on terms and conditions stated in Shareholder Agreement ("SHA") dated June 7, 2023, entered between the Company, Velotio and the previous shareholders of Velotio. The Company may at a later stage, as may be approved by its board of directors, acquire such OCRPS, subject to the terms and conditions set out in the SHA. Accordingly, the total purchase consideration including fair value of OCRPS is assessed at ₹ 5,100.74 million.

Find below the breakup of the Purchase consideration and net assets acquired is as below:-

	(₹ in million)
Initial consideration in cash	2,637.07
Amount payable as at December 31, 2023 (refer to Note 19)	56.67
Fair value of the OCRPS	2,407.00
<b>Total Purchase Consideration (A)</b>	<b>5,100.74</b>
<b>Assets, liabilities and Intangible Assets recognized on acquisition are as follows:</b>	
<b>Identifiable Assets</b>	
Property, plant and equipment	28.63
Right-to-use assets	25.05
<b>Intangible Assets (other than goodwill)</b>	
Customer Relationship	1,738.00
Non-Compete Agreement	536.00
Investment in Associates (40% Equity shares of ScaleWorx Technologies Private Limited "ScaleWorx")	96.00
Trade Receivable (net of expected credit loss allowance of ₹ 10.78 million)	216.58
Cash & Bank Balance	209.50
Deferred tax assets (net)	68.03
Other assets	66.71
<b>Total Identifiable Assets (B)</b>	<b>2,984.50</b>
<b>Identified Liabilities</b>	
Trade and other payables	457.98
Mark-to-market loss on derivatives instruments	1.63
Provision for Employee Benefits	42.77
Lease liabilities	25.88
Current tax liabilities (net)	12.90
<b>Total Identified Liabilities (C)</b>	<b>541.16</b>
<b>Net Identified Assets D = B - C</b>	<b>2,443.35</b>
<b>Goodwill E = A - D</b>	<b>2,657.40</b>

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 37. Business Combination (Contd.)

- b. From the date of acquisition, Velotio has contributed ₹ 660.88 million to revenue from operations from external customers and a profit of ₹ 63.82 million to profit before tax.
- c. The transaction costs such as legal fees, due diligence fees, and other professional and consulting fees of ₹ 32.35 million related to the Velotio acquisition have been included under Other expenses in the Consolidated Statement of Profit and Loss for the year ended December 31, 2023.
- d. During the period July 3, 2023 to November 30, 2023, the Group has recorded ₹ 5.04 million as share of loss from associate based on equity accounting. The book value of the associates as at December 1, 2023 is ₹ 90.96 million.
- e. On December 1, 2023, Velotio acquired balance 60% in ScaleWorx at a purchase consideration of ₹ 42.50 million. Further, the Group has reassessed the Fair value of the 40% shareholding in ScaleWorx and the fair value as on December 1, 2023, is assessed at ₹ 93.00 million against the book value of ₹ 90.96 million and recorded a gain of ₹ 2.04 million as "Net gain on Fair value of Associates" under other income.

Basis this, the total investment value worked out to be ₹ 135.50 million which has been allocated as below:

	(₹ in million)
<b>Assets, liabilities and Intangible Assets recognized on acquisition are as follows:</b>	
<b>Identifiable Assets</b>	
Property, plant and equipment	1.28
Customer Relationship	23.60
Deferred tax assets(net)	2.77
Non-current tax assets (net)	2.72
Trade receivables	21.31
Cash and Bank balance	31.80
Other assets	8.27
<b>Total Identifiable Assets (A)</b>	<b>91.75</b>
<b>Identified Liabilities</b>	
Trade and other payables	19.16
Provision for Employee Benefits	2.37
Other current liabilities	2.79
<b>Total Identified Liabilities (B)</b>	<b>24.32</b>
<b>Net Identified Assets C = A – B</b>	<b>67.43</b>
<b>Goodwill</b>	<b>68.06</b>

- f. From the date of acquisition, ScaleWorx has contributed ₹ 3.22 million to revenue from operations from external customers and a profit of ₹ 1.70 million to profit before tax.
- g. The transaction costs such as legal fees, due diligence fees, and other professional and consulting fees of ₹ 3.02 million related to the ScaleWorx acquisition have been included under Other expenses in the Consolidated Statement of Profit and Loss for the year ended December 31, 2023.
- h. In case these Business Combinations had been affected on January 1, 2023, the revenue from operation of the Group would have been higher by ₹ 687.54 million and profit would have been higher by ₹ 119.67 million. The management consider these 'pro-forma' numbers to represent an approximate measure of the performance of the Group on an annualised basis.
- i. Goodwill is attributable to the benefit of expected synergies and the assembled workforce of the aforesaid Business Combinations.

38. The Board of Directors at its meeting held on December 13, 2023, has declared an interim dividend of ₹ 6.80/- per equity share of face value of ₹ 1/- each aggregating to ₹ 804.46 million. As at December 31, 2023, the Company has transferred the interim dividend amount to a separate bank account. Subsequent to the year ended December 31, 2023, the aforesaid interim dividend has been paid on January 09, 2024.

During the year ended December 31, 2022, the company paid interim dividend of ₹ 6.50/- per equity share of face value of ₹ 1/- each aggregating to ₹ 768.97 million.

## 39. Additional Information pursuant to para 2 of general instruction for the preparation of consolidated financial statements

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2023	Amount in ₹ (mn)	December 31, 2023	Amount in ₹ (mn)	December 31, 2023	Amount in ₹ (mn)	December 31, 2023	Amount in ₹ (mn)
		As % of consolidated net assets		As % of consolidated profit or loss		As % of consolidated other comprehensive income		As % of consolidated total comprehensive income	
	<b>Parent Entity</b>								
1	R Systems International Limited, India	62.46	4,827.64	80.29	1,734.58	76.71	(4.61)	80.29	1,729.97
	<b>Subsidiaries</b>								
	<b>Indian Subsidiaries</b>								
1	IBIZ Consultancy Services India Private Limited (Dissolved w.e.f. April 24, 2023)	-	-	-	-	-	-	-	-
2	Velotio Technologies Private Limited (Acquired w.e.f. July 3, 2023)	3.04	235.12	6.43	139.00	20.79	(1.25)	6.38	137.75
3	Scaleworx Technologies Private Limited (Acquired w.e.f. December 1, 2023)	0.58	45.07	0.06	1.38	2.50	(0.15)	0.06	1.23
	<b>Foreign Subsidiaries</b>								
1	R Systems (Singapore) Pte Limited, Singapore	7.73	597.85	0.57	12.29	-	-	0.57	12.29
2	R Systems, Inc., USA	4.57	353.36	1.20	25.97	-	-	1.21	25.97
3	R Systems Technologies Ltd., USA	1.05	81.24	0.62	13.50	-	-	0.63	13.50
4	R Systems Consulting Services Limited, Singapore	2.00	154.69	(0.08)	(1.76)	-	-	(0.08)	(1.76)
5	R Systems Consulting Services (M) Sdn. Bhd., Malaysia	1.22	94.38	0.79	17.17	-	-	0.80	17.17
6	R Systems Consulting Services (Hong Kong) Ltd, Hong Kong	0.04	2.76	(0.02)	(0.53)	-	-	(0.02)	(0.53)
7	R Systems Consulting Services (Thailand) Co., Ltd., Thailand	0.25	19.60	0.32	6.97	-	-	0.32	6.97
8	R Systems Consulting Services Kabushiki Kaisha, Japan	(0.60)	(46.39)	(0.23)	(4.98)	-	-	(0.23)	(4.98)
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China	(1.38)	(106.50)	(0.97)	(21.03)	-	-	(0.98)	(21.03)
10	R Systems Consulting Services Company Limited (incorporated on October 17, 2022)	(0.03)	(2.50)	(0.15)	(3.28)	-	-	(0.15)	(3.28)
11	R Systems Computaris International limited, UK	3.62	279.68	0.81	17.40	-	-	0.81	17.40
12	R Systems Computaris Europe SRL, Romania	7.16	552.84	4.21	90.92	-	-	4.21	90.92
13	R Systems Computaris Poland Sp. z o.o., Poland	1.45	112.18	0.39	8.53	-	-	0.40	8.53
14	R Systems Computaris S.R.L, Moldova	1.14	88.19	0.76	16.51	-	-	0.77	16.51
15	R Systems Computaris Malaysia Sdn. Bhd., Malaysia	0.16	12.29	0.04	0.94	-	-	0.04	0.94

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 39. Additional Information pursuant to para 2 of general instruction for the preparation of consolidated financial statements (Contd.)

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2023		December 31, 2023		December 31, 2023		December 31, 2023	
		As % of consolidated net assets	Amount in ₹ (mn)	As % of consolidated profit or loss	Amount in ₹ (mn)	As % of consolidated other comprehensive income	Amount in ₹ (mn)	As % of consolidated total comprehensive income	Amount in ₹ (mn)
16	R Systems Computaris Philippines Pte. Ltd. Inc., Philippines	0.16	12.50	0.08	1.66	-	-	0.08	1.66
17	R Systems Computaris Suisse Sarl., Switzerland	0.06	4.88	(0.05)	(1.07)	-	-	(0.05)	(1.07)
18	RSYS Technologies Ltd., Canada	2.03	157.06	1.15	24.93	-	-	1.16	24.93
19	R Systems IBIZCS Pte. Ltd., Singapore	2.47	191.10	2.26	48.76	-	-	2.26	48.76
20	IBIZ Consulting Services Pte Ltd., Singapore (strike off w.e.f. January 08, 2024)	-	-	(0.03)	(0.67)	-	-	(0.03)	(0.67)
21	R Systems IBIZCS Sdn. Bhd., Malaysia	0.60	46.45	0.20	4.33	-	-	0.20	4.33
22	PT. R Systems IBIZCS International, Indonesia	0.54	41.83	1.19	25.62	-	-	1.19	25.62
23	IBIZ Consulting Service Limited, Hong Kong	0.04	3.02	0.02	0.36	-	-	0.02	0.36
24	IBIZ Consulting Service Shanghai Co. Ltd., People's Republic of China	(0.54)	(41.88)	0.03	0.60	-	-	0.03	0.60
25	IBIZ Consulting (Thailand) Co. Ltd., Thailand	0.18	13.68	0.34	7.24	-	-	0.34	7.24
	<b>Indian Associates</b>								
	Scaleworx Technologies Private Limited (July 3, 2023 to Nov 30, 2023)	-	-	(0.23)	(5.04)	-	-	(0.23)	(5.04)
	<b>Sub total</b>	<b>100.00</b>	<b>7,730.14</b>	<b>100.00</b>	<b>2,160.30</b>	<b>100.00</b>	<b>(6.01)</b>	<b>100.00</b>	<b>2,154.29</b>
	Adjustment arising out of consolidation		(1,615.77)		(759.24)		69.09		(690.15)
	<b>Total</b>		<b>6,114.37</b>		<b>1,401.06</b>		<b>63.08</b>		<b>1,464.14</b>

## 39. Additional Information pursuant to para 2 of general instruction for the preparation of consolidated financial statements (Contd.)

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2022	Amount in ₹ (mn)	December 31, 2022	Amount in ₹ (mn)	December 31, 2022	Amount in ₹ (mn)	December 31, 2022	Amount in ₹ (mn)
<b>Parent Entity</b>									
1	R Systems International Limited, India	57.28	3,902.15	77.96	1,127.11	100.00	4.37	78.02	1,131.48
<b>Subsidiaries</b>									
<b>Indian Subsidiaries</b>									
1	IBIZ Consultancy Services India Private Limited., India	-	-	(0.04)	(0.59)	-	-	(0.04)	(0.59)
<b>Foreign Subsidiaries</b>									
1	R Systems (Singapore) Pte Limited, Singapore	8.41	572.83	2.42	34.94	-	-	2.41	34.94
2	R Systems, Inc., USA	13.28	904.40	1.44	20.66	-	-	1.42	20.66
3	R Systems Technologies Ltd., USA	0.99	67.24	1.40	20.18	-	-	1.39	20.18
4	R Systems Consulting Services Limited, Singapore	2.25	153.17	1.43	20.72	-	-	1.43	20.72
5	R Systems Consulting Services (M) Sdn. Bhd., Malaysia	1.18	80.07	0.87	12.60	-	-	0.87	12.60
6	R Systems Consulting Services (Hong Kong) Ltd, Hong Kong	0.05	3.27	0.07	0.96	-	-	0.07	0.96
7	R Systems Consulting Services (Thailand) Co., Ltd., Thailand	0.18	12.34	0.98	14.24	-	-	0.98	14.24
8	R Systems Consulting Services Kabushiki Kaisha, Japan	(0.65)	(44.55)	(0.57)	(8.20)	-	-	(0.57)	(8.20)
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China	(1.28)	(87.34)	(1.62)	(23.36)	-	-	(1.61)	(23.36)
10	R Systems Consulting Services Company, Limited, Vietnam (incorporated on October 17, 2022)	-	-	-	-	-	-	-	-
11	R Systems Computaris International limited, UK	3.68	250.93	0.40	5.81	-	-	0.40	5.81
12	R Systems Computaris Europe SRL, Romania	6.53	445.03	8.23	119.02	-	-	8.21	119.02
13	R Systems Computaris Poland Sp.z.o.o., Poland	1.35	92.09	0.55	7.94	-	-	0.55	7.94
14	R Systems Computaris S.R.L, Moldova	0.93	63.46	1.04	15.06	-	-	1.04	15.06
15	R Systems Computaris Malaysia Sdn. Bhd., Malaysia	0.17	11.76	0.06	0.82	-	-	0.06	0.82
16	R Systems Computaris Philippines Pte. Ltd. Inc., Philippines	0.16	10.74	0.15	2.20	-	-	0.15	2.20
17	R Systems Computaris Suisse Sarl., Switzerland	0.08	5.46	0.06	0.88	-	-	0.06	0.88
18	RSYS Technologies Ltd., Canada	1.88	127.83	1.37	19.88	-	-	1.37	19.88
19	R Systems IBIZCS Pte. Ltd., Singapore	2.03	138.14	0.75	10.84	-	-	0.75	10.84
20	IBIZ Consulting Services Pte Ltd., Singapore	0.13	8.76	0.05	0.70	-	-	0.05	0.70

# Notes

to Consolidated Financial Statements for the year ended December 31, 2023

## 39. Additional Information pursuant to para 2 of general instruction for the preparation of consolidated financial statements (Contd.)

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2022		December 31, 2022		December 31, 2022		December 31, 2022	
		As % of consolidated net assets	Amount in ₹ (mn)	As % of consolidated profit or loss	Amount in ₹ (mn)	As % of consolidated other comprehensive income	Amount in ₹ (mn)	As % of consolidated total comprehensive income	Amount in ₹ (mn)
21	R Systems IBIZCS Sdn. Bhd., Malaysia	0.64	43.67	0.38	5.56	-	-	0.38	5.56
22	PT. R Systems IBIZCS International, Indonesia	1.25	85.23	2.54	36.76	-	-	2.53	36.76
23	IBIZ Consulting Service Limited., Hong Kong	0.04	2.65	(0.01)	(0.08)	-	-	(0.01)	(0.08)
24	IBIZ Consulting Service Shanghai Co., Ltd., People's Republic of China	(0.65)	(43.45)	0.26	3.80	-	-	0.26	3.80
25	IBIZ Consulting (Thailand) Co. Ltd., Thailand	0.09	6.21	(0.17)	(2.52)	-	-	(0.17)	(2.52)
	<b>Sub total</b>	<b>100.00</b>	<b>6,812.09</b>	<b>100.00</b>	<b>1,445.93</b>	<b>100.00</b>	<b>4.37</b>	<b>100.00</b>	<b>1,450.30</b>
	Adjustment arising out of consolidation		(1,357.39)		(49.12)		219.52		170.40
	<b>Total</b>		<b>5,454.70</b>		<b>1,396.81</b>		<b>223.89</b>		<b>1,620.70</b>

40. The financial statements have been approved by the Board of Directors at its meeting held on February 15, 2024.

### For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : NOIDA  
Date : February 15, 2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : February 15, 2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : NOIDA  
Date : February 15, 2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : February 15, 2024



## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### List of Subsidiaries

S. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency for the relevant Financial year in the case of foreign subsidiaries	Exchange rate as on the last date of the relevant Financial year (₹)	Share Capital	Reserves & Surplus	Total assets	Total Liabilities	Investments (other than subsidiary and fellow associates)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	R Systems (Singapore) Pte Limited, Singapore	December 31, 2023	Singapore Dollar	63.00	480.74	117.12	647.75	49.89	-	758.19	13.62	1.02	12.60	-	100.00%
2	R Systems, Inc., USA	December 31, 2023	US Dollar	83.21	127.93	225.43	703.67	350.31	-	2,823.04	48.60	22.42	26.18	-	100.00%
3	R Systems Technologies Ltd., USA	December 31, 2023	US Dollar	83.21	20.28	60.95	82.92	1.69	-	309.55	17.50	3.90	13.60	-	100.00%
4	R Systems Consulting Services Limited, Singapore <sup>(1)</sup>	December 31, 2023	Singapore Dollar	63.00	5,452.45	(5,297.76)	220.10	65.41	-	197.58	(1.29)	0.51	(1.80)	-	99.75%
5	R Systems Consulting Services (M) Sdn. Bhd. Malaysia <sup>(2)</sup>	December 31, 2023	Malaysian Ringgit	18.06	74.06	20.32	124.81	30.43	-	317.73	23.15	6.02	17.13	-	99.75%
6	R Systems Consulting Services (Hong Kong) Limited, Hong Kong <sup>(2) &amp; (4)</sup>	December 31, 2023	Hong Kong Dollar	10.63	-	2.76	4.94	2.18	-	7.20	(0.59)	(0.06)	(0.53)	-	99.75%
7	R Systems Consulting Services (Thailand) Co. Ltd., Thailand <sup>(2)</sup>	December 31, 2023	Thai Baht	2.42	4.84	14.76	120.49	100.89	-	279.44	9.13	2.02	7.11	-	99.75%
8	R Systems Consulting Services Kabushiki Kaisha, Japan <sup>(2)</sup>	December 31, 2023	Japanese Yen	0.59	5.86	(52.25)	1.96	48.35	-	1.19	(4.93)	0.02	(4.95)	-	99.75%
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China <sup>(2)</sup>	December 31, 2023	Chinese Yuan	11.71	19.39	(125.89)	25.50	132.00	-	15.46	(21.10)	-	(21.10)	-	99.75%
10	R Systems Consulting Services Company Limited, Vietnam <sup>(2) &amp; (8)</sup>	December 31, 2023	Vietnamese dong	0.00	0.82	(3.33)	0.99	3.50	-	-	(3.33)	-	(3.33)	-	99.75%
11	R Systems Computaris International Limited, UK	December 31, 2023	Euro	91.95	0.07	279.61	335.82	56.14	-	158.08	23.92	6.00	17.92	-	100.00%
12	R Systems Computaris Europe SRL, Romania <sup>(9)</sup>	December 31, 2023	Romanian leu	18.45	52.61	500.23	1,015.86	463.02	-	2,105.27	107.35	14.53	92.82	-	100.00%
13	R Systems Computaris Poland sp z o o, Poland <sup>(9)</sup>	December 31, 2023	Polish Zloty	21.11	42.22	69.96	205.52	93.34	-	659.28	12.47	3.32	9.15	-	100.00%
14	R Systems Computaris SRL, Moldova <sup>(9)</sup>	December 31, 2023	Moldovan leu	4.84	0.03	88.16	110.75	22.56	-	237.58	34.00	16.64	17.36	-	100.00%
15	R Systems Computaris Malaysia Sdn. Bhd., Malaysia <sup>(9)</sup>	December 31, 2023	Malaysian Ringgit	18.06	1.73	10.56	13.05	0.76	-	17.80	1.32	0.38	0.94	-	100.00%

# FORM AOC-1

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

S. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency for the relevant Financial year in the case of foreign subsidiaries	Exchange rate as on the last date of the relevant Financial year(₹)	Share Capital	Reserves & Surplus	Total assets	Total Liabilities	Investments (other than subsidiary and fellow associates)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
16	R Systems Computaris Philippines Pte. Ltd. Inc. Philippines <sup>(9)</sup>	December 31, 2023	Philippine Peso	1.49	14.93	(2.43)	26.74	14.24	-	39.46	1.91	0.25	1.67	-	100.00%
17	R Systems Computaris Switzerland LLC, Switzerland <sup>(3)</sup>	December 31, 2023	Swiss Franc	99.02	5.25	(0.37)	4.97	0.09	-	1.70	(1.13)	0.02	(1.15)	-	100.00%
18	RSYS Technologies Ltd, Canada	December 31, 2023	Canadian Dollar	62.79	100.46	56.60	237.09	80.03	-	438.77	35.39	9.80	25.59	-	100.00%
19	R Systems IBIZCS Pte. Ltd., Singapore <sup>(5)</sup>	December 31, 2023	Singapore Dollar	63.00	72.51	118.59	324.80	133.70	-	449.04	52.01	2.04	49.97	-	100.00%
20	IBIZ Consulting Services Pte Ltd., Singapore (strike off w.e.f. January 08, 2024) <sup>(6)</sup>	December 31, 2023	Singapore Dollar	63.00	-	-	-	-	-	-	(0.64)	0.05	(0.69)	-	100.00%
21	R Systems IBIZCS SDN.BHD., Malaysia <sup>(6)</sup>	December 31, 2023	Malaysian Ringgit	18.06	9.03	37.42	82.79	36.33	-	114.69	11.62	7.31	4.32	-	100.00%
22	PT. RSYSTEMS IBIZCS International, Indonesia <sup>(6)</sup>	December 31, 2023	Indonesia Rupiah	0.01	13.48	28.35	69.69	27.86	-	122.63	31.76	6.24	25.52	-	100.00%
23	IBIZ Consultancy Services India Private Limited, India <sup>(12)</sup>	Refer to Note 9	Indian Rupee	1.00	-	-	-	-	-	-	-	-	-	-	-
24	IBIZ Consulting Service Limited, Hong Kong <sup>(6)</sup>	December 31, 2023	Hong Kong Dollar	10.63	0.11	2.91	35.40	32.38	-	7.81	0.36	-	0.36	-	100.00%
25	IBIZ Consulting Service Shanghai Co., Ltd., People's Republic of China <sup>(7)</sup>	December 31, 2023	Chinese Yuan	11.71	5.61	(47.49)	11.14	53.02	-	34.34	0.66	0.06	0.60	-	100.00%
26	IBIZ Consulting (Thailand) Co. Ltd., Thailand <sup>(6)</sup>	December 31, 2023	Thai Baht	2.42	14.52	(0.84)	24.29	10.61	-	45.18	7.55	0.16	7.39	-	100.00%
27	Velotio Technologies Private Limited, India <sup>(10), (11) &amp; (12)</sup>	December 31, 2023	Indian Rupee	1.00	0.23	234.89	605.29	370.16	-	669.53	190.30	51.31	139.00	-	100% outstanding equity capital
28	Scaleworx Technologies Private Limited, India <sup>(10) &amp; (12)</sup>	December 31, 2023	Indian Rupee	1.00	0.15	44.92	66.06	21.00	-	8.40	1.90	0.52	1.38	-	100.00%

### Notes :

- 1 R Systems International Limited holds 69.37% directly in R Systems Consulting Services Limited, Singapore and 30.38% shares through its wholly owned subsidiary i.e. R Systems (Singapore) Pte Limited, Singapore and thus together it holds 99.75% of total capital of R Systems Consulting Services Limited, Singapore.
- 2 Wholly owned subsidiary of R Systems Consulting Services Limited, Singapore which is the subsidiary of R Systems International Limited as explained in note no 1.
- 3 Wholly owned subsidiary of R Systems Computaris International Limited, United Kingdom, which is the wholly owned subsidiary of R Systems International Limited.

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

- 4 The absolute amount of share capital in R Systems Consulting Services (Hong Kong) Limited, Hong Kong is ₹ 12 /- (2 ordinary shares of HKD 1 each).
- 5 Wholly owned subsidiary of R Systems (Singapore) Pte Ltd., Singapore which is the wholly-owned subsidiary of R Systems International Limited.
- 6 Wholly owned subsidiary of R Systems IBIZCS Pte. Ltd., Singapore which is the wholly-owned subsidiary of R Systems (Singapore) Pte Limited, Singapore as explained in note no. 5.
- 7 Wholly owned subsidiary of IBIZ Consulting Service Limited, Hong Kong which is the wholly-owned subsidiary of R Systems IBIZCS Pte. Ltd., Singapore as explained in note no. 6
- 8 R Systems Consulting Services Company Limited, Vietnam was incorporated on October 17, 2022 and operations are not yet started.
- 9 IBIZ Consultancy Services India Private Limited has been dissolved w.e.f. April 24, 2023.
- 10 On July 3, 2023, R Systems International Limited has acquired 100% outstanding equity capital of Velotio Technologies Private Limited (Velotio) which further holds 40% Equity shares of Scaleworx Technologies Private Limited (Scaleworx). On December 1, 2023, Velotio acquired balance 60% Equity Shares in Scaleworx and Scaleworx became its wholly owned subsidiary.
- 11 The Share capital of Velotio includes 123,850 preference share amounting to ₹ 0.12 million which are held by erstwhile shareholder of Velotio.
- 12 Reporting period for all the subsidiaries is financial year i.e. January to December except for IBIZ Consultancy Services India Private Limited, Velotio Technologies Private Limited & Scaleworx Technologies Private Limited which follows April to March as its financial year.
- 13 INR numbers are derived by converting respective reporting currency using closing rate.

### For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED

**Nitesh Bansal**  
Managing Director &  
Chief Executive Officer  
DIN : 10170738

Place : Frisco Tx, USA  
Date : May 02,2024

**Nand Sardana**  
Chief Financial Officer

Place : NOIDA  
Date : May 02,2024

**Ruchica Gupta**  
Chairperson &  
Non-Executive Independent Director  
DIN : 06912329

Place : Delhi  
Date : May 02,2024

**Bhasker Dubey**  
Company Secretary &  
Compliance Officer

Place : NOIDA  
Date : May 02,2024

# Notice

## R SYSTEMS INTERNATIONAL LIMITED

### NOTICE OF THE THIRTIETH ANNUAL GENERAL MEETING

[Corporate Identification Number – L74899DL1993PLC053579]

Registered Office: GF-1-A, 6, Devika Tower, Nehru Place, New Delhi -110019, India

Corporate Office: C-40, Sector -59, NOIDA, Distt. Gautam Budh Nagar, U.P. – 201 307, India

Tel.: +91 – 120 – 4303500;

Website: [www.rsystems.com](http://www.rsystems.com) ; Email: [rsil@rsystems.com](mailto:rsil@rsystems.com);

**NOTICE** is hereby given that Thirtieth Annual General Meeting of the shareholders of R SYSTEMS INTERNATIONAL LIMITED (the "Company"/ "R Systems") will be held on Thursday, June 13, 2024 at 09:30 A.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

#### AS ORDINARY BUSINESS

1. To receive, consider and adopt audited financial statements (including consolidated financial statements) of the Company for the financial year ended December 31, 2023 and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm interim dividend of ₹ 6.80/- per equity share, declared and paid for the financial year ended December 31, 2023.
3. To appoint a director in place of Mr. Mukesh Mehta (DIN: 08319159), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board  
For **R Systems International Limited**

Date : May 02, 2024

Place : NOIDA

**Bhasker Dubey**  
(Company Secretary & Compliance Officer)

## NOTES

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its circular dated September 25, 2023 read with circulars dated April 8, 2020, May 5, 2020, May 5, 2022 and December 28, 2022 or any other circulars issued in this regard (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing facility/ Other Audio Visual Means ("VC/OAVM") on or before September 30, 2024, without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In compliance with the provisions of the Companies Act, 2013 (the "Act"), the Listing Regulations and MCA Circulars, the 30<sup>th</sup> AGM of the Company is being held through VC/ OAVM. The Deemed Venue for the 30<sup>th</sup> AGM shall be the Registered Office of the Company. Since the 30<sup>th</sup> AGM is being held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
2. For the purpose of convening AGM, the Company has appointed Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company ("Link Intime"/ "RTA"), to provide the VC/ OAVM facility for conducting the AGM and for voting through remote e-voting or e-voting at the AGM. The procedure for participating in the meeting through VC/ OAVM is explained in notes.
3. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by members will not be available. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the AGM. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [devesh@dpvassociates.com](mailto:devesh@dpvassociates.com) with a copy marked to [investors@rsystems.com](mailto:investors@rsystems.com) and [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).

# Notice

5. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after 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 to at least 1000 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, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013, the certificate from the Secretarial Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other documents referred to in the accompanying Notice shall be made available for inspection electronically by the Members, during business hour, in accordance with the applicable statutory requirements based on the requests received by the Company at [investors@rsystems.com](mailto:investors@rsystems.com).
7. Pursuant to Sections 101 and 136 of the Act read with relevant Rules made thereunder and Regulation 36 of Listing Regulations and SEBI Circular, companies can send Annual Report and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participants ("DP"). Members who have not registered/ updated their email address are requested to register/ update the same (i) in case of shares held in demat mode, as per the process advised by concerned DP's; and (ii) in case of shares held in physical mode, by emailing to the Link Intime in the prescribed form ISR-1 alongwith requisite forms at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in). Physical copy of the Annual Report shall be sent to those Members who request for the same.
8. In accordance with the provisions of Listing Regulations transfers of securities of the Company shall not be processed, unless the securities are held in the dematerialized form with a depository. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.
9. SEBI vide various Circulars dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has made it mandatory that the security holders (holding securities in physical form) to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend etc. shall be paid only through electronic mode upon furnishing all the aforesaid details in entirety. The formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circulars are available on our website as mentioned below: <https://www.rsystems.com/corporate-governance/investor-services/>. Members holding shares in electronic form may approach their respective DPs for furnishing PAN, Nomination, Contact details, Bank A/c details and Specimen signature completing the nomination formalities.
10. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will then be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate such changes to Company's RTA [through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable)].
11. In terms of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund ("IEPF"). The due dates for transfer of unclaimed dividend and unclaimed shares to IEPF are provided in the report on Corporate Governance. Members are requested to ensure that they claim the unclaimed dividends and shares referred above, before they are transferred to the IEPF.
12. The Company has uploaded information of unclaimed dividends on the websites of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and of the Company <https://www.rsystems.com/investors-info/unpaid-and-unclaimed-dividend/>. Further, the details of unclaimed interim dividend for the financial year ended December 31, 2023 have been also uploaded on the Company's website.
13. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5.  
  
The said form is available on MCA's website: [www.mca.gov.in](http://www.mca.gov.in).
14. SEBI, vide circular dated July 31, 2023, as amended from to time, has introduced Online Dispute Resolution (ODR) in Indian Securities to harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. In addition to SCORES, Investors and Market Participants (MPs) now have an additional

mechanism available for dispute resolution. The Smart ODR can be accessed through the URL <https://smartodr.in/login>. Members can access the SEBI Circulars on the website of SEBI at <https://www.sebi.gov.in/> and the same are also available on the website of the Company at <https://www.rsystems.com/corporate-governance/investor-services/>.

15. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors re-appointing at the Annual General Meeting is appended hereto and forms part of this Notice.
16. The Annual Report of Financial Year ended December 31, 2023 of the Company alongwith the Notice convening this 30<sup>th</sup> AGM, will be made available on the Company's website at <https://www.rsystems.com/financial-results-reports/> as well as on the Stock Exchange websites ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and on the website of Link Intime India at <https://instavote.linkintime.co.in>.

#### **17. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on Sunday, June 09, 2024 at 09:00 A.M. and ends on Wednesday, June 12, 2024 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Thursday, June 06, 2024, may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the AGM.
- (iii) Pursuant to the SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 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 ("DP's") only. This enables e-voting for all individual demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ DP's. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Pursuant to aforesaid SEBI Circular dated December 09, 2020, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:**

#### **A. Individual Shareholders holding securities in demat mode with NSDL:**

##### **METHOD 1 - If registered with NSDL IDeAS facility:**

##### **i. Users who have registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
- c) Click on "LINKINTIME" or "e-voting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**OR**

##### **ii. User who have not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "LINKINTIME" or "e-voting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

##### **METHOD 2 - By directly visiting the e-voting website of NSDL:**

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.

# Notice

- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be redirected to NSDL depository website wherein you can see "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

## B. Individual Shareholders holding securities in demat mode with CDSL:

### METHOD 1 – If registered with CDSL Easi/Easiest facility:

#### i. Users who have registered for CDSL Easi/Easiest facility.

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/home/login> or [www.cdslindia.com](https://www.cdslindia.com).
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

#### ii. Users who have not registered for CDSL Easi/Easiest facility.

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### METHOD 2 - By directly visiting the e-voting website of CDSL:

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on "LINKINTIME" or "e-voting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

## C. Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on "LINKINTIME" or "e-voting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

## D. Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the Company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

**A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders 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 holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.

\*Shareholders holding shares in **Demat form**, shall provide '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).

3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on '**Submit**'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. 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).
4. 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.

**E. Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):****STEP 1 – Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. C above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

**STEP 2 –Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
  - a. 'Investor ID' -
    - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678.
    - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - b. 'Investor's Name' - Enter full name of the entity.
  - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
  - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further,



# Notice

Custodians and Mutual Funds shall also upload specimen signature card.

- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

### STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

#### METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote e-voting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) 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).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) 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. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

#### METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for '**Company's Name / Event number**'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.

- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

### F. Helpdesk:

#### i. Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

#### ii. Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

### G. Forgot Password:

#### i. Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her

registered e-mail address. Shareholders 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 a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

**ii. Institutional shareholders (“Corporate Body/Custodian/Mutual Fund”) has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on ‘Login’ under ‘Corporate Body/Custodian/Mutual Fund’ tab and further Click ‘forgot password?’
- o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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 a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**iii. Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at their respective depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID.

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

**H. Process and manner for attending the General Meeting through InstaMeet:**

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & click on “Login”.

- Select the “Company” and ‘Event Date’ and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16-digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** 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. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

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

# Notice

## I. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Company on the [investors@rsystems.com](mailto:investors@rsystems.com).
2. Shareholders will get confirmation on first cum first basis.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
6. Members can also submit their questions in advance with regard to the accounts or any other matter to be placed at the AGM by sending an email to the Company at [investors@rsystems.com](mailto:investors@rsystems.com), by mentioning their name, DP ID Client ID/ folio number, mobile number on or before Monday, June 10, 2024.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

## J. Instructions For Shareholders/ Members to Vote during the Annual General Meeting Through Instameet:

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit 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'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. 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'.

5. 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.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

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.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Tel: + 91 22 49186000 (Extn: 2505)

## 18. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company email id i.e. [investors@rsystems.com](mailto:investors@rsystems.com).
2. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company email id i.e. [investors@rsystems.com](mailto:investors@rsystems.com).

19. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, June 06, 2024.
20. Mr. Devesh Kumar Vasisht, Managing Partner and/ or Mr. Parveen Kumar, Partner of DPV & Associates LLP, Practicing Company Secretaries (Firm Registration No.: L2021DE009500), have been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting during AGM in a fair and transparent manner.
21. The Scrutinizer shall after the conclusion of voting at the AGM, will unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
22. The results of remote e-voting and voting during AGM on the resolutions shall be aggregated and declared on or after the AGM of the Company. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM.
23. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.rsystems.com](http://www.rsystems.com) and on the website of Linkintime immediately after the declaration of result by the Chairperson or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.
24. Details as required in Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking re-appointment at the AGM is enclosed as **Annexure-A** to this notice.

By Order of the Board  
For **R Systems International Limited**

Date : May 02, 2024  
Place : NOIDA

**Bhasker Dubey**  
(Company Secretary & Compliance Officer)

# Notice

## Annexure A

Details of Directors seeking re-appointment at the Annual General Meeting to be held on Thursday, June 13, 2024 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by ICSI).

Name of Director	Mr. Mukesh Mehta
Date of Birth	November 30, 1980
Initial Date of Appointment	May 10, 2023
Qualifications	Mr. Mehta is a Chartered Accountant, with a Master's Degree in Commerce from Mumbai University. He has also completed CFA (AIMR-USA)
Expertise in specific functional area	<p>Mr. Mukesh Mehta is a Senior Managing Director in the Private Equity Group of Blackstone Advisors India Private Limited ("Blackstone") and is based in Mumbai. At Blackstone, he is involved in several transactions including acquisition of VFS Global, Busybees Logistics Solutions, Simplilearn Solutions, Piramal Glass Division, Aadhar Housing Finance and TaskUS.</p> <p>Before joining Blackstone, Mr. Mehta worked as an Associate Director with The Carlyle Group in their Private Equity division. During his 10 years stint at Carlyle, he was involved in several transactions. The transactions where he has made significant professional contribution – VFS Global, Busybees Logistics Solutions, Simplilearn Solutions, Piramal Glass, Aadhar Housing Finance, TaskUS, HDFC, SBI cards, PBHF, IIFL.</p>
Past Remuneration	Nil
Terms and conditions of Re-appointment	Non Executive Non Independent Director, liable to retire by rotation
Remuneration proposed to be paid	Nil
Directorship held in other Indian Companies as on date	International Gemmological Institute (India) Private Limited Simplilearn Solutions Private Limited PGP Glass Private Limited Aadhar Housing Finance Limited
Membership/ Chairmanship in Committees of other companies*	Nil
Number of shares held in Company#	Nil
Relationships between Directors inter-se	There are no inter-se relationship amongst the Directors.
No. of Board Meetings attended during the Financial Year ended December 31, 2023	6 out of 7 Board Meetings held during the Financial Year in which he was entitled to attend.

\*covers only listed companies

#as on May 02, 2024







**R Systems International Limited**

**Registered Office:** GF-1-A, 6, Devika Tower,  
Nehru Place, New Delhi - 110019 (INDIA)

**Corporate Office:** C - 40 Sector - 59,  
Noida (U.P.) - 201 307 (INDIA)







## R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579  
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]  
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P., India – 201 307

Annexure-II

Phones: +91-120-4303500  
Fax: +91-120-4082699

Email : rsil @rsystems.com  
www.rsystems.com

Regd. Off.: GF-1-A, 6, Devika Tower,  
Nehru Place, New Delhi- 110019

REF: SECT/02/2024/09

February 15, 2024

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol – RSYSTEMS	<b>BSE Limited</b> P. J. Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code – 532735
---	--

Dear Sir,

**SUB: DECLARATION IN RESPECT OF UNMODIFIED OPINION ON AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2023 UNDER SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

This is with reference to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”). It is hereby declared that the Statutory Auditors of the Company i.e. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (FRN - 117366W/W-100018), have issued audit report with unmodified opinion on the standalone and consolidated financial results of the Company for the financial year ended December 31, 2023.

This is for your information and record.

Thanking you.

Yours faithfully,  
**For R Systems International Limited**

BHASKER DUBEY  
Digitally signed by  
BHASKER DUBEY  
Date: 2024.02.15  
12:48:56 +05'30'

**Bhasker Dubey**  
**(Company Secretary & Compliance Officer)**