



R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number: L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
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Email: rsil@rsystems.com
www.rsystems.com

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

REF: SECT/05/2023/06

DATE: MAY 27, 2023

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

SUB: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2022 ALONG WITH THE NOTICE CONVENING 29TH ANNUAL GENERAL MEETING ("AGM") AND INTIMATION OF REMOTE E-VOTING PERIOD DATES.

We wish to inform you that the 29th AGM of the Members of the Company is scheduled to be held on Wednesday, June 21, 2023, 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.

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 R Systems International Limited 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 29th Annual General Meeting 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, 2022.

Declaration in respect of unmodified opinion on Audited Financial Statements for the Financial Year ended on December 31, 2022 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,

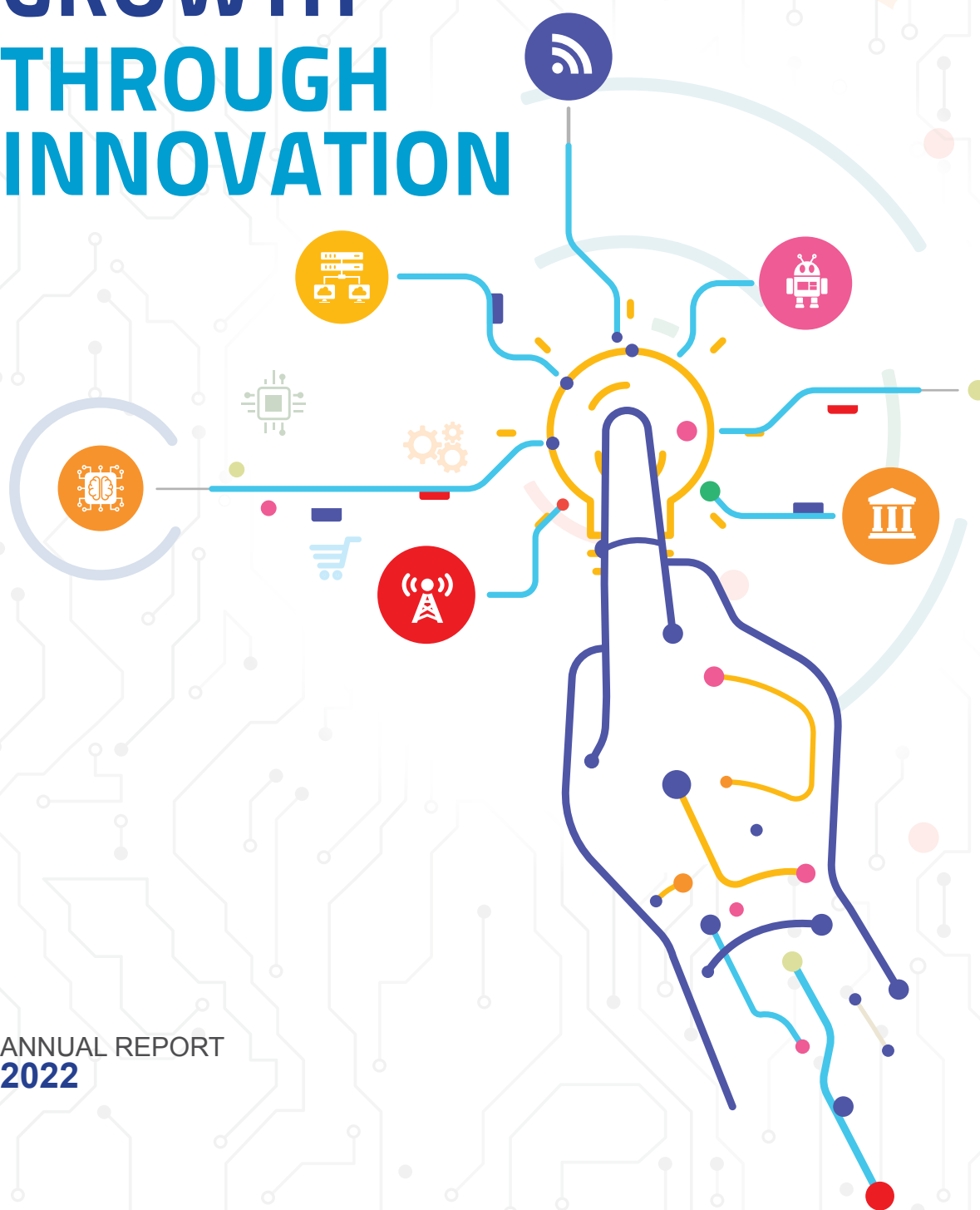
For R Systems International Limited

Bhasker Dubey
(Company Secretary & Compliance Officer)



R Systems International Limited

DRIVING GROWTH THROUGH INNOVATION



ANNUAL REPORT
2022

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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 2022.

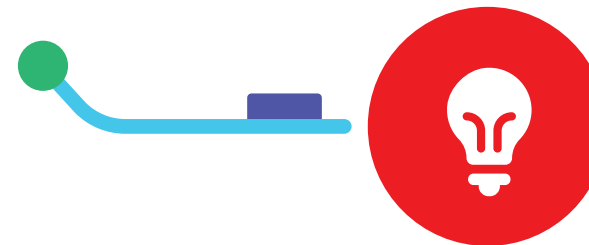
DRIVING GROWTH THROUGH INNOVATION

The past couple of years have seen the world confronting a global pandemic, geopolitical tensions, supply chain disruptions, and many other upheavals - all these factors have ushered in a new era. While organisations are seen experiencing a strong rebound from the pandemic-driven recession, they have also emerged to find a chaotic operating environment with dramatic shifts in consumer behaviour, technology solutions, and global supply chain networks. In this landscape of uncertainty, building resilience has become more important than ever. In the coming years, successful companies will prioritise digital transformation to build business resilience through customer-centric innovation and operational excellence.

At R Systems, we work for a holistic digital transformation to drive growth and create long-term business value by fundamentally changing the way businesses innovate, operate, and deliver products and services. Digital transformation is all about scaling with speed, and we are proud of how we have capitalised on this imperative to become a partner of choice to the world's most pioneering enterprises.



In driving digital transformation at scale, we help customers create winning edges by reimagining businesses and maximising potential with intelligence, insights, and innovation.



We have fortified our digital competencies and expanded our talent pool to meet evolving customer demands. Our intent is to enable our clients thrive by tapping into the immense potential of cloud, mobility, intelligent automation, and Artificial Intelligence (AI)/Machine Learning (ML). Strategic alliances with leading technology giants enable us to deliver cutting-edge services and solutions. Overall, we remain confident of working as an accelerator and growth-enabler in this challenging demand environment.

R SYSTEMS AT A GLANCE

We are a global digital transformation leader providing AI-driven solutions to clients across industries through a broad range of technology, AI/Analytics, and knowledge services. Over 25+ years, we have been empowering organisations with our 17 delivery centres, 25+ offices worldwide and a workforce of 4,400+ Associates ensuring seamless services to our customers across the world.



Our narrative...

Generate business value for our clients through technology, data/analytics and design.



Our mission...

To deliver on the promise of digital transformation to our clients using Technology + Automation, AI & Data + Design.



Our vision...

Become an end-to-end digital transformation partner for our clients.



Our values...

Put client success first, and focus on staying ahead of the curve with continuous R&D.

Our Global Network

16

Countries

3

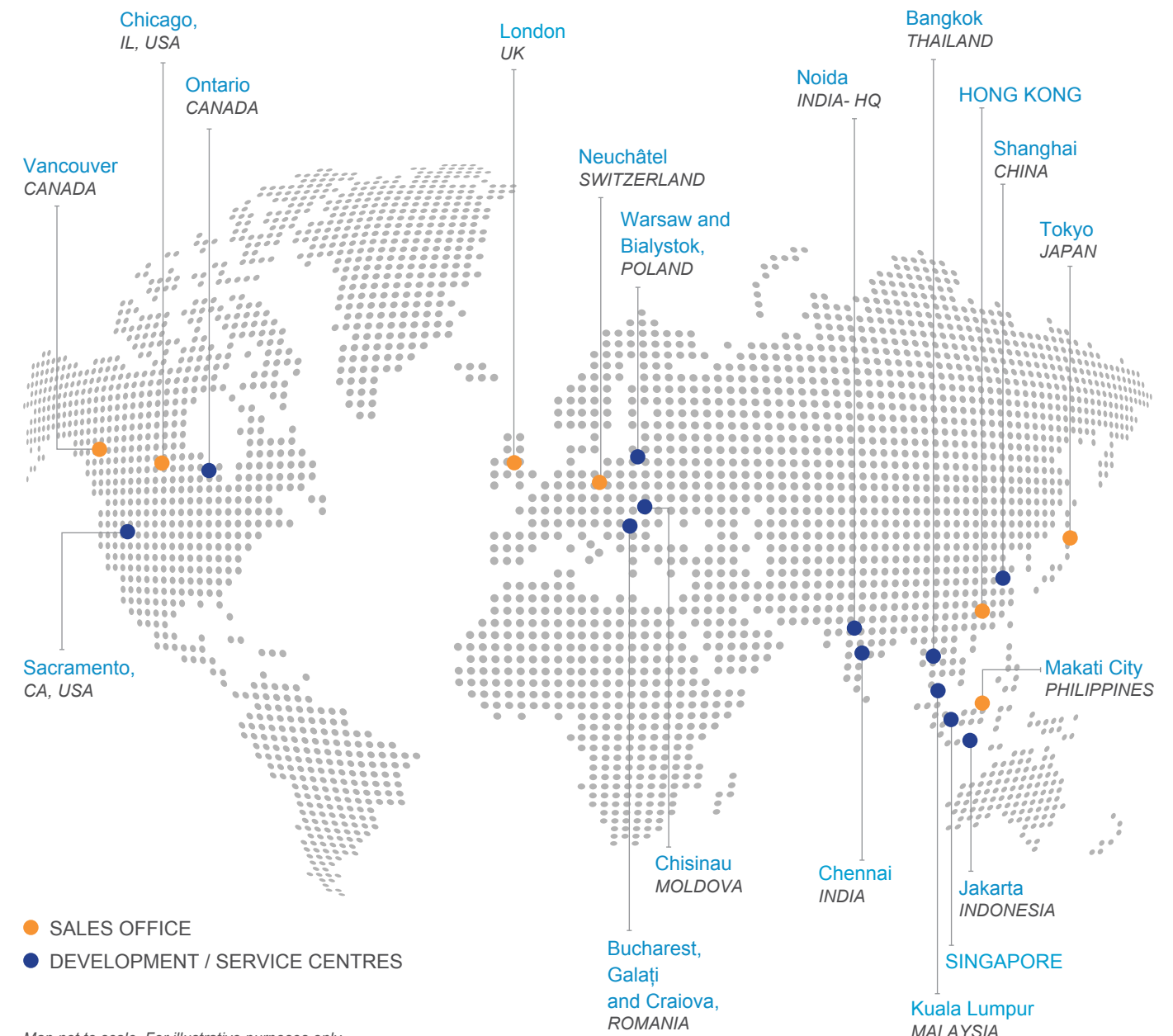
Continents

300+

Active Clients

4,400+

Associates



OUR COMPREHENSIVE OFFERINGS

TECHNOLOGY

Our technology solutions are devised to meet business' technological challenges arising from the continuously evolving digital landscape. We ensure that Independent Software Vendors (ISVs) and enterprises produce sustainable innovation backed by big data, analytics and the cloud.

Our Offerings

- Product Engineering
- Digital Platforms & Solutions
- QA Testing
- Cloud Enablement
- Internet of Things (IoT)



DESIGN

At R Systems, we endeavour to break down more significant issues into smaller and more realistic deliverables by applying the fundamentals of Design Thinking to Digital Transformation.

Our Offerings

- Experience Re-Engineering
- UX Engineering
- Mobile User Experience
- Visual Design

OUR CERTIFICATIONS

- CMMI Level 5
- PCMM Level 5
- ISO 27001:2013
- ISO 9001:2015
- PCI DSS
- HIPAA Compliant

AUTOMATION AI AND DATA

Our mission is to help enterprises derive intelligent insights and monetise their data for their business success. We help clients build AI-driven products and provide machine learning and advanced analytics expertise to fuel their digital transformation.

Our Offerings

- Advanced Analytics
- Business Analytics
- Data Monetisation and Modernisation
- AI / Machine Learning
- Intelligent Automation
- Modern Data Management



KNOWLEDGE SERVICES

Our knowledge services support our clients in upgrading their organisational efficiency and effectiveness. It is equipped with multi-lingual prowess, a global delivery platform and diversified services.

Our Offerings

- Revenue Cycle Management
- Technical Support
- Back Office Service
- Customer Care



MANAGING DIRECTOR'S MESSAGE



“Going forward, we continue to nurture our engineering DNA by building niche competencies in newer technologies to deliver tangible values to our customers. We are committed to profitable growth through operational efficiencies, better price realisation & pyramid rationalisation.”

Fellow Stakeholders,

We have concluded another exciting year of robust revenue growth where our services and solutions continued to win trust of leading ISVs and enterprise customers. Your Company has surpassed the key revenue milestone of ₹ 1,500 crores. R Systems, being a transformational and agile organization, continued to evolve by navigating through the challenging environment amid global economic slowdown caused by geopolitical tensions and high inflationary environment.

CY 2022 was an outstanding year for us, delivering 31.2% year-on-year (Y-o-Y) growth to ₹ 1,515 crores (USD 193.2 millions) in revenue. Revenue growth was achieved on the back of traction in our product engineering and digital offerings, strong relationships with existing customers along with decent deal flows. The EBITDA margins were 13.7% compared to 14.0% last year. EBITDA margins were impacted by higher average salary and investment in sales and marketing as offset by better rate realization and exchange gains.

Your Company served 48 clients having USD 1 million + revenue compared to 35 a year ago along with addition of 32 new logos including 10 having potential to be million \$ accounts in a year's time. Your Company also added 385 net associates over the year to fuel its growth engine. We continued to invest in our associates as our greatest strength. The utilization during CY 2022 was modest due to attrition challenges as we continued to maintain a high talent pool to drive growth.

Last year, we moved into another transformational journey where Blackstone (NYSE: BX), a marquee global investment management firm signed definitive agreements to acquire majority stake in R Systems. The transaction is expected to be completed in the second week of May 2023. Blackstone's investment reinforces our leadership in innovation, delivery quality, customer centricity, agility, and robust corporate governance. Blackstone sees enormous growth potential in R Systems, a leading provider of digital information technology services to global customers.

While there will be a change in ownership, we assure you of continuity in our values, culture, ethos, and vision at R Systems. Existing management will also continue to nurture the company under Blackstone umbrella. This transaction comes at an opportune time for R Systems as it transforms from a niche service provider to a scaled design and engineering partner for its customers.

Going forward, we continue to nurture our engineering DNA by building niche competencies in newer technologies to deliver tangible values to our customers. We are committed to profitable growth through operational efficiencies, better price realisation & pyramid rationalisation. Your Company is now more resilient and nimble to adapt to the ever changing technology landscape and uncertain micro-economic environment.

Delivering
31.2%
year-on-year
(Y-o-Y) growth

R Systems will remain committed with its values of spreading happiness and welfare in the society around which we operate. Our environmental, social and governance (ESG) responsibilities strives to provide sustainable solutions in the areas of education, sports, women empowerment, healthcare, environment and community welfare. Yet, we believe we have a long way to go in these initiatives to bring meaningful change for coming generations.

I would like to thank and express my humble gratitude to our employees, customers, business partners and shareholders for always believing in us. Together, we shall continue to thrive and build a stronger and agile organization for the future.

Sincere Regards,

Dr. Satinder Singh Rekhi
Managing Director and CEO

SPEARHEADING DIGITAL TRANSFORMATION FOR CUSTOMERS

We successfully cater to our clients' challenging requirements and deliver substantial impact by empowering their digital transformation journeys. Our case studies provide a glimpse into the tangible value generated through our robust expertise and innovative portfolio of technology, digital services and solutions.

A GLOBAL LEADER IN DEVELOPING SOFTWARE PRODUCTS AND PLATFORMS FOR ELECTRONICS ASSEMBLY & EQUIPMENT

Our Engagement

- Our customer offers highly reliable electronics assembly line software & equipment for the manufacturing industry
- We serve them in design, development, maintenance, testing, and documentation
- TAC 24X7, International Support



PREMIER GLOBAL RELOCATION SOLUTIONS PROVIDER FOR CORPORATIONS



Our Engagement

- Our customer offers End-to-end Relocation services and solutions
- We developed a new-age relocation application with AI/ML, RPA, Chat Bot, AWS Cloud Services, etc. along with enhanced user experiences

LEADING GLOBAL PROVIDER OF ENTERPRISE SOFTWARE AND INFORMATION SOLUTIONS FOR PROJECT-BASED BUSINESSES

Our Engagement

- Our Customer delivers software solutions enabling project-based businesses with advance levels of project intelligence and collaboration
- R Systems provides solutions in the cloud platform, network infrastructure, delivery support, cloud security and audit



LEADING PROVIDER OF SOLUTIONS FOR INCREASING THE EFFECTIVENESS OF AUTOMOTIVE SALES AT DEALERSHIP

Our Engagement

- Our customer transforms complex data into marketing and sales solutions for the automotive industry
- We serve them in their product enhancements, API & UI developments along with support and maintenance services



A LEADING PROVIDER OF PRODUCTS AND SERVICES TO ACADEMIC INSTITUTIONS AND STUDENTS

Our Engagement

- Our customer conducts competitive exam for admission in leading business schools along with providing other products and services to academic institutions and students
- We have navigated their digital transformation improvising candidate's journey and experience



INTELLIGENT DOCUMENT PROCESSING SOLUTIONS FOR CORPORATIONS

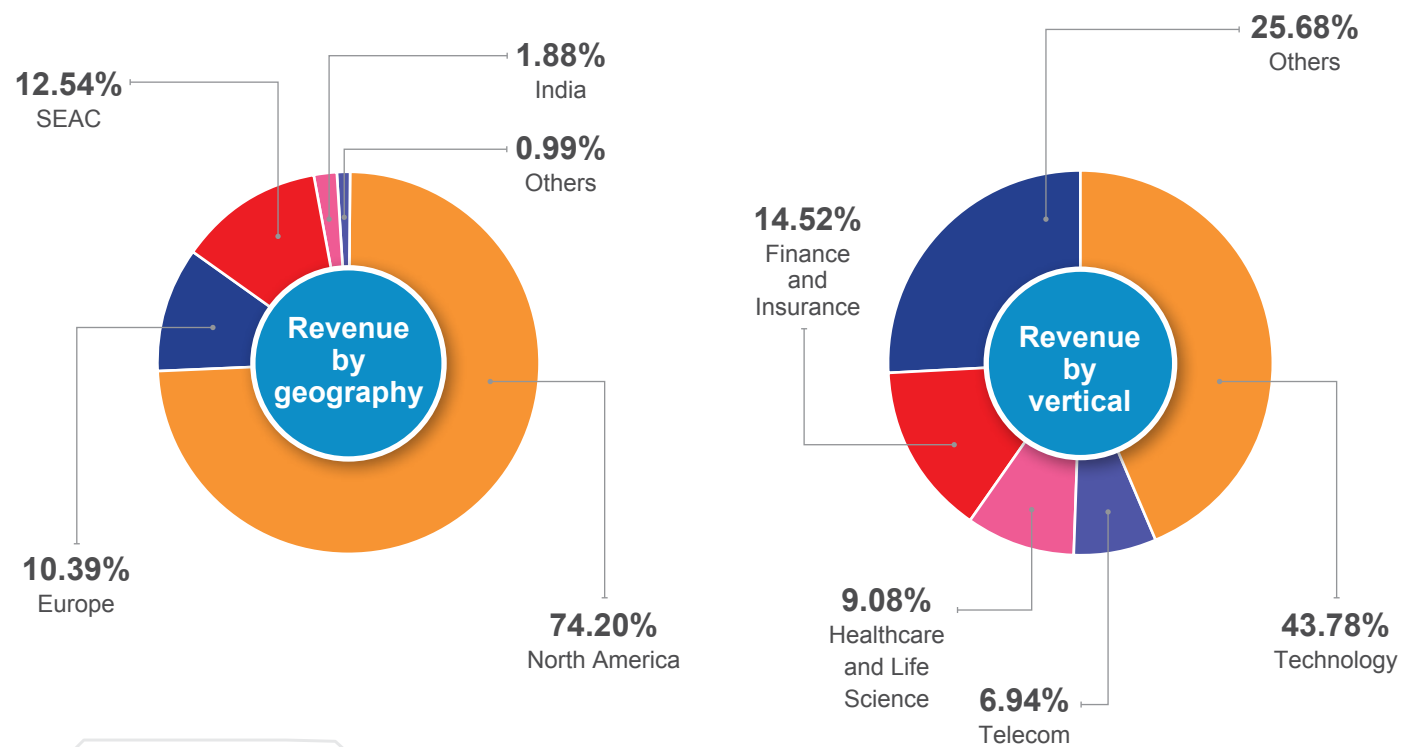
Our Engagement

- Our customer offers software solutions digitally transforming information-intensive business workflows
- We have empowered them to digitalize their solution, integration with leading OCR services and customer support



PERFORMANCE HIGHLIGHTS

	Year 2022	Year 2021
Revenue (USD in millions)	193.17	156.52
EBITDA (USD in millions)	26.54	21.87
EBITDA (in %)	13.74	13.97
Net Profit (USD in millions)	17.80	19.16
Cash and Bank Balance (USD in millions)	32.41	37.32
Shareholders' Fund (USD in millions)	65.94	61.92
Days Sales Outstanding	52 days	50 days



BUILDING A FUTURE-READY WORKFORCE

We have always believed that our people are intangible asset who power the organisation's growth and success. Caring for our people and enabling them to build meaningful careers is central to our culture and strategic priorities.

We consistently strive to enhance employee capabilities and foster a conducive workplace with meaningful interventions. We have improved our processes and empowered employees to bring out the best in them and enable high productivity. We strive to foster a culture that promotes gender, age diversity and inclusion. Also we conduct learning and development programmes to boost their capabilities.

During the year, we conducted various training and learning sessions for employees to increase their skills and competencies. We hosted several events like festive celebrations, quiz and competitions, talk shows, Zumba sessions, health awareness workshops,

etc. We also partnered with one of the world's leading and renowned education technology platforms for encouraging employees to undergo training courses in various fields to upskill and cross-skill themselves. Happiness finds reflection in the work itself, being more productive,

creative, enjoying one's work, and being there for others. We engaged with leaders and teams to understand and resolve their challenges along with conducting various orientations and programs to promote the happiness and wellbeing at workplace.



TOWARDS HOLISTIC DEVELOPMENT OF COMMUNITIES

Ensuring community welfare is an integral part of our corporate strategy. We are committed to empowering communities through meaningful initiatives in areas of Education, Sports, Women Empowerment, Community Welfare, and Environment, among others.

Our inclination towards creating value for communities has been encouraged by undeterred commitment of our visionary Managing Director and CEO, Dr. Satinder Singh Rekhi, who has been nurturing the 'science of happiness' in the organisation.

Key Initiatives

Education Collaboration with Army Public School

During the year, with the help of Army Public School, Beas, we successfully facilitated the education and welfare of children belonging to the weaker sections of society.

Ritnand Balved Education Foundation (RBEF) and IIM, Ranchi

To educate students and teachers about the science of happiness and provide them with tools and techniques to enable them to lead a productive life, we joined hands with RBEF and IIM Ranchi. This initiative helped to promote academic cooperation while also identifying areas that enhanced teachers' mental health and students' employability skills by promoting international research focussing on Happiness, Spirituality & Consciousness.

Rajya Anand Sansthan

We joined hands with Rajya Anand Sansthan, an initiative of MP Government with an objective of overall well-being of people. RAS takes various initiatives to engage people in activities which enable them to lead happy and fulfilling lives.

ICT Academy of Tamil Nadu

During the year, we partnered with the ICT Academy of Tamil Nadu to improve digital teaching skills and the soft-skill base of women educators through the 'Women Educators Empowerment Program' (WEEP) Program. This initiative enabled us to train women educators in rural schools across India.

Community Welfare Missionaries of Charity

During the year, we provided support to socially isolated, crippled and homeless children in association with the Missionaries of Charity, Jeevan Jyoti Home, Delhi.

Sports Pullela Gopichand Badminton Academy and Prakash Padukone Badminton Academy

We work with the Pullela Gopichand Badminton Academy and Prakash Padukone Badminton Academy to encourage badminton aspirants. We equip them with requisite coaching and training to help excel their performance at various national and international events.



Abhinav Bindra Foundation

During the year, we shared missions with Abhinav Bindra Foundation to increase the standard of Sporting Ecosystems, channelling a culture of Excellence in Sport and supporting athletes through High-Performance Training.

Women Empowerment Providing Actions with Research and Sustainable Development (PARAS India)

During the year, with the help of PARAS India, we have set up many Silai (sewing) Schools in Delhi slums. We aimed to empower poor women to become entrepreneurs through sewing projects and sewing schools as a women empowerment initiative.



Environment During the year, with the help of Green Yatra, we planted

800 local native species of plants to prevent the air pollution in their Urban Afforestation Project.

CORPORATE INFORMATION

Board of Directors (As of May 03, 2023)

Dr. Satinder Singh Rekhi
(Managing Director &
Chief Executive Officer)

Lt. Gen. Baldev Singh (Retd.)
(President and Senior Executive Director)

Mr. Avirag Jain
(Director & Chief Technology Officer)

Mrs. Ruchica Gupta
(Non-Executive Independent Director)

Mr. Kapil Dhameja
(Non-Executive Independent Director)

Mr. Aditya Wadhwa
(Non-Executive Independent Director)

Chief Financial Officer

Mr. Nand Sardana

Company Secretary and Compliance Officer

Mr. Bhasker Dubey

Committees of the Board of Directors

Audit Committee

Mrs. Ruchica Gupta
(Chairperson)

Lt. Gen. Baldev Singh (Retd.)
(Member)

Mr. Kapil Dhameja
(Member)

Mr. Aditya Wadhwa
(Member)

Stakeholders Relationship Committee

Mr. Kapil Dhameja
(Chairman)

Lt. Gen. Baldev Singh (Retd.)
(Member)

Mrs. Ruchica Gupta
(Member)

Nomination & Remuneration Committee

Mrs. Ruchica Gupta
(Chairperson)

Mr. Kapil Dhameja
(Member)

Mr. Aditya Wadhwa
(Member)

Risk Management Committee

Mrs. Ruchica Gupta
(Chairperson)

Lt. Gen. Baldev Singh (Retd.)
(Member)

Mr. Kapil Dhameja
(Member)

Corporate Social Responsibility Committee

Mr. Kapil Dhameja
(Chairman)

Lt. Gen. Baldev Singh (Retd.)
(Member)

Mrs. Ruchica Gupta
(Member)

Compensation Committee

Mrs. Ruchica Gupta
(Chairperson)

Mr. Kapil Dhameja
(Member)

Mr. Aditya Wadhwa
(Member)

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

Statutory Auditors

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

Registrar & 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
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

Subsidiaries of R Systems International Limited

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

Subsidiary of R Systems (Singapore) Pte Limited

R Systems IBIZCS Pte. Ltd., Singapore

Subsidiaries of R Systems IBIZCS Pte. Ltd.

IBIZ Consulting Services Pte. Ltd.,
Singapore
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
(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

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

DIRECTORS' REPORT

Dear Shareholders,

Your directors take great pleasure in presenting the Twenty Ninth 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, 2022.

1. Financial Results

a) Standalone financial results of R Systems

(₹ in million)

Particulars	Financial Year ended	
	31.12.2022	31.12.2021
Revenue from Operations	8,138.90	5,775.01
Profit before depreciation, exceptional items and tax	1,536.32	1,505.42
Less: Depreciation and amortisation expense	195.83	146.49
Profit before tax	1,340.49	1,358.93
Less: Current tax	296.55	245.27
Less: Deferred tax (credit)/expense	(83.17)	(43.81)
Profit after tax	1,127.11	1,157.47
Other comprehensive income/(Loss)	4.37	0.71
Total comprehensive income for the year	1,131.48	1,158.18
Statement of change in Retained Earnings		
Opening Balance	3,416.65	3,104.05
Add: Profit for the current year	1,127.11	1,157.47
Less: Buy-back of Shares (including tax)	-	168.10
Less: Dividend paid	768.97	677.66
Add: Other comprehensive income/(Loss)	4.37	0.89
Closing Balance	3,779.16	3,416.65
EPS-Basic	9.53	9.70

b) Consolidated financial results of R Systems and its Subsidiaries

(₹ in million)

Particulars	Financial Year ended	
	31.12.2022	31.12.2021
Revenue from Operations	15,158.31	11,556.39
Profit before depreciation, exceptional items and tax	2,051.35	1,977.65
Less: Depreciation and amortisation expense	349.78	276.93
Profit before tax	1,701.57	1,700.72
Less: Current tax	387.19	327.63
Less: Deferred tax (credit)/expense	(82.43)	(41.27)
Profit after tax	1,396.81	1,414.36
Other comprehensive income/(Loss)	223.89	(32.19)
Total comprehensive income for the year	1,620.70	1,382.17
Statement of change in Retained Earnings		
Opening Balance	4,164.18	3,594.69
Add: Profit for the current year	1,396.81	1,414.36
Less : Buy-back of Shares (including tax)	-	168.10
Less : Dividend paid	768.97	677.66
Add: Other Comprehensive Income/(Loss)	4.37	0.89
Closing Balance	4,796.39	4,164.18
EPS-Basic	11.81	11.85

2. Results of Operations

Standalone Accounts

- Revenue from Operations during the year 2022 was ₹ 8,138.90 mn. as compared to ₹ 5,775.01 mn. during the year 2021, an increase of 40.93%.
- Profit after tax was ₹ 1,127.11 mn. during the year 2022 as compared to ₹ 1,157.47 mn. during 2021, a decrease of 2.62%.
- Basic earnings per share (of face value of ₹ 1/- each) was ₹ 9.53 for the year 2022 as compared to ₹ 9.70 for the year 2021, a decrease of 1.75%.

Consolidated Accounts

- Revenue from Operations during the year 2022 was ₹ 15,158.31 mn. as compared to ₹ 11,556.39 mn. during the year 2021, an increase of 31.17%.
- Profit after tax was ₹ 1,396.81 mn. during the year 2022 as compared to ₹ 1,414.36 mn. during the year 2021, a decrease of 1.24%.
- Basic earnings per share (of face value of ₹ 1/- each) was ₹ 11.81 for the year 2022 as compared to ₹ 11.85 for the year 2021, a decrease of 0.34%.

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 2022, the Board of Directors declared an interim dividend namely, Interim Dividend 2022 of ₹ 6.50 per equity share i.e. 650% of face value of ₹ 1/- each at its meeting held on June 01, 2022. The said interim dividend was paid to shareholders on June 30, 2022. The Board of Directors has not recommended any final dividend for the financial year ended December 31, 2022.

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 provider of technology, artificial intelligence, analytics and knowledge services. We partner with customers to enable or elevate their digital transformation with our diversified digital offerings. Our technology offerings include product engineering, cloud enablement, QA testing, Internet of Things (IoT), and digital platforms and solutions.

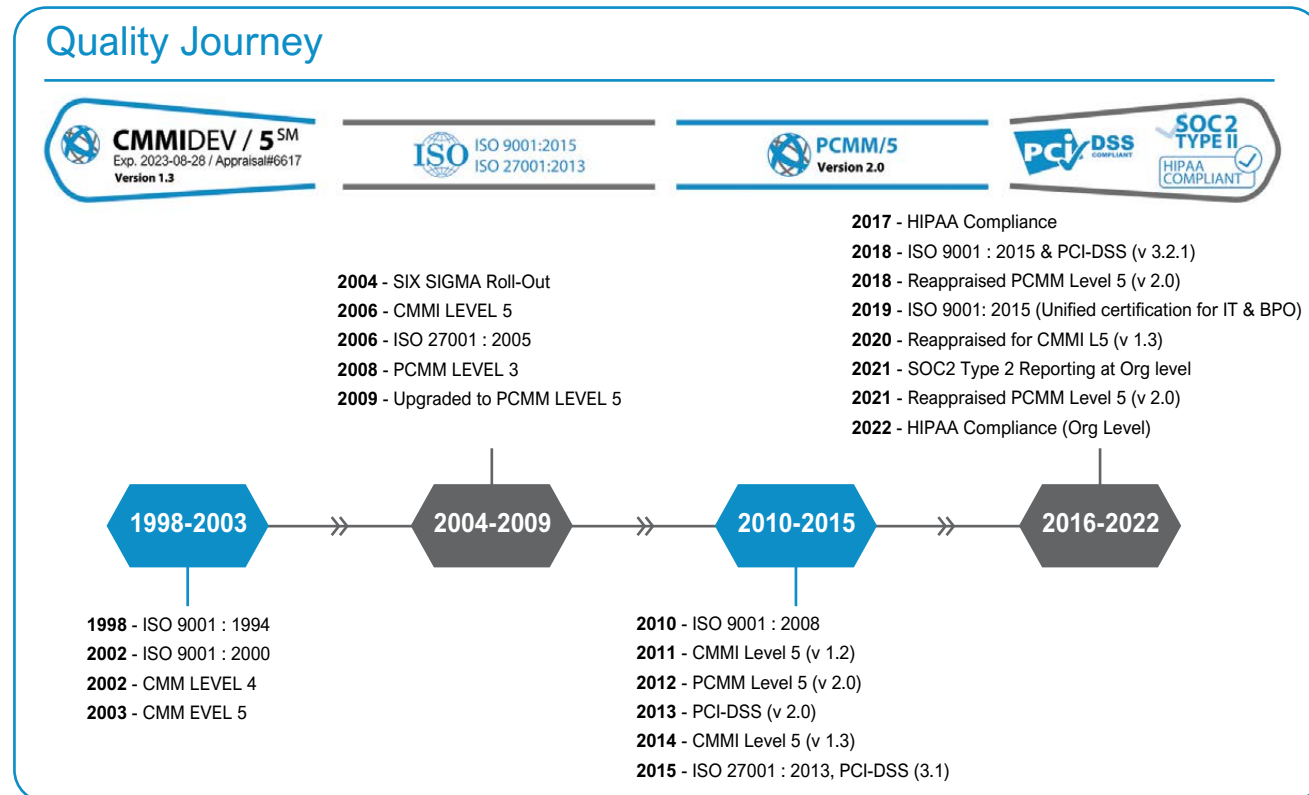
AI/ Analytics services include advanced analytics, data monetization and modernization, machine learning/artificial intelligence, business analytics, intelligent automation and modern data management. R Systems' design services include UX engineering, visual design, mobile user experience and experience re-engineering. Our knowledge service offerings cover revenue cycle management, back office service, technical support, and customer care using multi-lingual capabilities and global delivery platform.

R Systems services and solutions span over five major business verticals i.e. Technology, Telecom, Healthcare & Life Science, Finance & Insurance and Retail & e-commerce. R Systems maintains seventeen development and service centres to serve customers in North America, Europe, and APAC. There were no changes in the nature of the Company's business and generally in the classes of business in which the Company has an interest and in the business carried on by the subsidiaries during the year under review. For details of Company's subsidiaries please refer note number 11 relating to subsidiaries.

The sign of a global slowdown has resulted some softness in the demand environment which may affect growth momentum in near term. However, businesses have to accelerate their digital transformation to address the fast changing technology landscape. We are cautiously optimistic and continue to invest in newer technologies and sales and marketing initiatives to drive profitable growth through innovation.

5. Quality

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 2022, Noida IT as well as Knowledge Services Division were recertified for ISO 9001:2015. As of the date of this report, Noida IT division is CMMI level 5 (Ver.1.3), PCMM Level 5, ISO 9001:2015, ISO 27001:2013 certified and HIPAA compliant. Noida Knowledge Services (KS) Division is PCMM Level 5, ISO 27001:2013, ISO 9001:2015 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.

The product engineering offerings include services along the entire software lifecycle that includes technology consulting, architecture, design and development, professional services, testing, maintenance, customer care and technical support. R Systems expects that its technology focus, investment in processes, talent and methodologies will enable it to distinguish itself from competition as it seeks to provide services to technology/ product companies.

6. Directors & Key Managerial Personnel's (KMP)

During the year under review, Lt. Gen. Baldev Singh (Retd.) was re-appointed as director, liable to retire by rotation, at the Annual General Meeting held on June 20, 2022.

There was no change in KMP(s) of the Company during the financial year ended on December 31, 2022. In terms

of Section 152 of the Act, Mr. Avirag Jain, Director & Chief Technology Officer, 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. Avirag Jain forms part of the Corporate Governance Report. No director of the Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred as "Listing Regulations").

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.

7. Liquidity and Borrowings - Consolidated Financial Statement

The consolidated cash and cash equivalents as at December 31, 2022 were ₹ 2,062.30 mn. as against ₹ 2,043.68 mn. as on December 31, 2021. Net cash generated from operating activities was ₹ 963.86 for the year ended December 31, 2022 compared to ₹ 873.15 mn. for the year ended December 31, 2021. Cash used in investing activities was ₹ 213.71 mn. for the year ended December 31, 2022 and mainly comprised of purchase of fixed assets of ₹ 358.96 mn, as offset by proceeds from investment in term deposit with bank ₹ 115.60 mn. Cash used in financing activities was ₹ 864.00 mn. for the year ended December 31, 2022. Interim Dividend paid during the year was ₹ 768.97 mn.

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, 2022, the total credit balance

was nil under fund based line of credit. Further, borrowings as on December 31, 2022 comprises of loan for motor vehicles purchased amounting to ₹ 20.44 mn.

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:

Sr. No.	Particulars	Amount in ₹	
		As on December 31, 2022	As on December 31, 2021
1.	Authorised Share Capital:		
	Equity Shares of ₹ 1/- each	206,000,000	206,000,000
2.	Issued, Subscribed and Paid-Up Capital:		
	Equity Shares of ₹ 1/- each	118,303,445	118,303,445

9. Takeover Offer and Voluntary Delisting of Shares

On November 16, 2022, BCP Asia II Topco II Pte. Ltd. ("Acquirer") has entered into a Share Purchase Agreement ("SPA") with the Promoter and Promoter Group of the Company to acquire up to 61,129,969 Equity Shares, representing 51.67% of the Voting Share Capital, from the Promoter and Promoter Group of the Company, subject to the terms and conditions set out in the SPA, including fulfilment of customary closing conditions.

Consequently, A public announcement was made on November 16, 2022 by Kotak Mahindra Capital Company Limited, the manager to the Offer, for and on behalf of the Acquirer along with Blackstone Capital Partners Asia II L.P. ("PAC"), making a composite offer for acquisition of up to 57,173,476 fully paid-up equity shares of face value of ₹ 1/- representing 48.33% of the Voting Share Capital ("Offer") in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021 and subsequent Amendments thereto ("SEBI Delisting Regulations") from the Public Shareholders and consequently to delist the equity shares of the Company from National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") where shares of the Company are presently listed. The Detailed Public Statement was published on November 23, 2022

in compliance with applicable provisions of SEBI (SAST) Regulations and SEBI Delisting Regulations.

The Board of Directors of the Company at its meeting held on November 25, 2022 has approved the voluntary delisting of equity shares of the Company from the Stock Exchanges. The Shareholders of the Company have also approved the voluntary delisting of equity shares of the Company from Stock Exchanges with the requisite majority on December 31, 2022.

The applications for approvals of relevant statutory authorities have been filed. In-principle approval from Stock Exchanges and Observations from SEBI are awaited as on the date of this report.

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, 2022 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, 2022, 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 is endeavoring to convert its Diesel generators to GAS based generators. Please also refer the Business Responsibility and Sustainability Report for details of 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

1. Efforts made towards technology absorption

The Company has established centre of excellence in specific digital technologies like Cloud, Mobility, IOT, Analytics, Intelligent Process Automation (IPA) etc. to strengthen competencies and enhance offerings across focused verticals i.e. Technology, Telecom, Healthcare & Life Science, Finance & Insurance and Retail & e-Commerce.

2. Benefits derived as a result of the above efforts

Our investment in digital technologies is helping us to enhance market reach and support our revenue growth.

3. Technology imported during the last 3 years.

Not applicable, as no technology has been imported by the Company.

4. Expenditure incurred on Research and development

Driven by our core value of innovation, we believe that innovation is not just a practice but an essential component embedded within R Systems organizational DNA. We are now operating in a digital world. Digital transformation is one of our core areas where R Systems partner with businesses to make them competitive and successful in today's hyper-changing environment. Over the year ended December 31, 2022, 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.

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:

Particulars	Financial Year ended	
	31.12.2022	31.12.2021
(a) Earnings (Accrual Basis)	7,892.20	5,770.20
(b) Expenditure (Accrual Basis)	862.42	695.83
(c) CIF value of imports	48.74	64.27

11. Subsidiaries

As on December 31, 2022, R Systems has twenty-six subsidiaries. The name and country of incorporation of those subsidiaries are as follows:

S. No.	Name of the Subsidiaries	Country of Incorporation
1.	R Systems, Inc.,	U.S.A.
2.	R Systems Technologies Ltd.	U.S.A.
3.	RSYS Technologies Ltd.	Canada
4.	R Systems Consulting Services Limited	Singapore
5.	R Systems Consulting Services (M) Sdn. Bhd.#	Malaysia
6.	R Systems Consulting Services (HongKong) Limited#	Hong Kong
7.	R Systems Consulting Services (Thailand) Co. Ltd.#	Thailand
8.	R Systems Consulting Services Kabushiki Kaisha#	Japan

S. No.	Name of the Subsidiaries	Country of Incorporation
9.	R Systems Consulting Services (Shanghai) Co., Ltd.#	People's Republic of China
10.	R Systems Consulting Services Company Limited#	Vietnam
11.	R Systems Computaris International Limited	U.K.
12.	R Systems Computaris S.R.L.@	Moldova
13.	R Systems Computaris Malaysia Sdn. Bhd.@	Malaysia
14.	R Systems Computaris Poland Sp. Z o.o.@	Poland
15.	R Systems Computaris Europe S.R.L.@	Romania
16.	R Systems Computaris Philippines Pte. Ltd. Inc.@	Philippines
17.	R Systems Computaris Suisse Sàrl@	Switzerland
18.	R Systems (Singapore) Pte. Ltd	Singapore
19.	R Systems IBIZCS Pte. Ltd.*	Singapore
20.	IBIZ Consulting Services Pte. Ltd.^	Singapore
21.	R Systems IBIZCS Sdn. Bhd. ^	Malaysia
22.	PT RSystems IBIZCS International^	Indonesia
23.	IBIZ Consulting Services Limited^	Hong Kong
24.	IBIZ Consulting Services (Shanghai) Co., Ltd.®	People's Republic of China
25.	IBIZ Consulting (Thailand) Co. Ltd.^	Thailand
26.	IBIZ Consultancy Services India Private Limited§	India

wholly owned subsidiaries of R Systems Consulting Services Limited, Singapore being 99.75% subsidiary of R Systems (The shareholding held by R Systems International Limited and R Systems (Singapore) Pte. Ltd. is 69.37% and 30.38%, respectively).

@ wholly owned subsidiaries of R Systems Computaris International Limited being 100% subsidiary of R Systems.

* wholly owned subsidiary of R Systems (Singapore) Pte Ltd. being 100% subsidiary of R Systems.

^ wholly owned subsidiaries of R Systems IBIZCS Pte. Ltd. being 100% Subsidiary of R Systems (Singapore) Pte. Limited.

% wholly owned subsidiary of IBIZ Consulting Services Limited - Hong Kong being 100% Subsidiary of R Systems IBIZCS Pte. Ltd.

\$ Under Voluntary Liquidation.

On October 17, 2022, R Systems Consulting Services Limited, Singapore, incorporated a wholly-owned subsidiary in Vietnam named R Systems Consulting Services Company Limited.

During the year under review, IBIZ Consultancy Services India Private Limited, wholly owned subsidiary of 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. Ms. Gunjan Mittal has been appointed as a liquidator of IBIZ India to implement the said liquidation. Subsequent to the year ended December 31, 2022, the petition for approving the voluntary liquidation has been filed with the Hon'ble National Company Law Tribunal, New Delhi.

As on date of this report, all the subsidiaries of the Company except IBIZ Consultancy Services India Private Limited are 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/investors-info/corporate-governance/>.

During the year 2022, the Company had three material Subsidiaries, namely R Systems, Inc., R Systems (Singapore) Pte. Ltd., Singapore 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 statements 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.

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. Directors' responsibility statement

Pursuant to the requirement of Section 134 (3) (c) read with Section 134(5) of the Companies Act, 2013 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, 2022, the applicable accounting standards have 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 have prepared the annual accounts for the financial year ended December 31, 2022 on a going concern basis;
- 5) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- 6) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. 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 Annual General Meeting held on June 20, 2022 for a term of five years until the conclusion of the 33rd Annual General Meeting 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, 2022. During the year 2022, 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, 2022 on the financial statements of the Company forms part of this Annual Report.

15. Audit committee

R Systems has a qualified and independent Audit Committee. During the year under review, there was no change in the composition of the Audit Committee. The constitution of the Committee is in compliance with the provisions of the Act and the Listing Regulations.

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.

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.

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 International Limited 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 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, 2022, no case of sexual harassment of women was reported to ICC.

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, [Firm's Registration No. 117366W/ W-100018], 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 and transforms 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 conducts regular employee satisfaction surveys. R Systems is constantly validating key employee data with industry and peer group business. These practices have helped the Company to achieve many of its business goals and have been recognised in many industry surveys over the last few years. The open door policy of our senior management team ensures that the feedback loop is completed promptly. 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.

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 Report of the Company for the financial year ended December 31, 2022 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. Sanjay Grover & Associates, 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, 2022. The Secretarial Audit report for financial year ended December 31, 2022 is enclosed as **Annexure G**.

Further, the Secretarial auditors' report being self-explanatory, does not call for any further comments by the Board of Directors as there are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the financial year ended December 31, 2022.

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 instances 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 Nomination and Remuneration Committee, the Board has framed a criteria 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 are stated in the Corporate Governance Report.

25. Meetings of the Board

The Board 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 has met eight times. The details of the meeting 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 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 and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee
- (f) Compensation Committee

The details of composition of the said Committee(s), their terms of reference, meetings held and attendance of the Committee members during the financial year 2022 are provided in the Corporate Governance Report.

27. 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.

28. Particulars of Loans, Guarantees or investments

During the year under review, the Company has not given any loan, Guarantee or made any investment which falls under Section 186 of the Companies Act, 2013. Further details of loan, guarantees and investments are provided in the notes to accounts of the financial statements.

29. 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 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 as mentioned in the Corporate Governance Report. 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**.

30. Risk Management

In view of growing level of operations of the Company and in terms of the Listing Regulations, the Board of Directors of the Company 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 and enhanced under the oversight of the Risk Management Committee of the Board.

31. Annual Return

The Annual Return of the Company as on December 31, 2022 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/>.

32. 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'). During the year under review, there was no change in the composition of the CSR Committee.

The detailed terms of reference of the CSR Committee has been provided in the Corporate Governance Report. In pursuit of the responsibilities entrusted to the CSR Committee, a policy on Corporate Social Responsibility has been prepared and adopted by the Board which is available at the website of the Company at following link: <https://www.rsystems.com/investors-info/corporate-governance/>.

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.

33. Dividend Distribution Policy

The Board of Directors of the Company had approved 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 the circumstances under which the shareholders of the Company may or may not expect 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/wp-content/uploads/2021/05/Dividend-Distribution-Policy.pdf>.

34. 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, 2022 and has issued unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

35. 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 does not have any stock option plan in force.
- 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, 2022.
- 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.

- details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund Authority during the year 2022 have been provided as part of the Corporate Governance report.

36. Acknowledgments

Your directors once again take this opportunity to thank the employees, investors, clients, vendors, banks,

business associates, regulatory authorities including Stock Exchanges, Software Technology Park of India, the Central Government, State Government of Delhi, Uttar Pradesh, 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

Dr. Satinder Singh Rekhi
(DIN: 00006955)
(Managing Director & Chief Executive Officer)

Place: NOIDA
Date: February 13, 2023

Lt. Gen. Baldev Singh (Retd.)
(DIN: 00006966)
(President & Senior Executive Director)

Place: NOIDA
Date: February 13, 2023

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosures 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.	Dr. Satinder Singh Rekhi	Promoter & Executive Director	40.27
2.	Lt. Gen. Baldev Singh (Retd.)	Executive Director	9.63
3.	Mr. Avirag Jain	Executive Director	10.00
4.	Mrs. Ruchica Gupta	Non-Executive Independent Director	NA
5.	Mr. Kapil Dhameja	Non-Executive Independent Director	NA
6.	Mr. Aditya Wadhwa	Non-Executive Independent Director	NA

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.	Dr. Satinder Singh Rekhi	Promoter & Executive Director	37.82%
2.	Lt. Gen. Baldev Singh (Retd.)	Executive Director	38.15%
3.	Mr. Avirag Jain	Executive Director	41.56%
4.	Mrs. Ruchica Gupta	Non-Executive Independent Director	NA
5.	Mr. Kapil Dhameja	Non-Executive Independent Director	NA
6.	Mr. Aditya Wadhwa	Non-Executive Independent Director	NA
7.	Mr. Nand Sardana	Chief Financial Officer	50.57%
8.	Mr. Bhasker Dubey	Company Secretary & Compliance Officer	28.29%

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 14.64%.

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, 2022 was 3,260 (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 10% to 12% (approx.). The average increase in overall managerial remuneration is 39.59%. 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**

Dr. Satinder Singh Rekhi
(DIN: 00006955)
(Managing Director & Chief Executive Officer)

Place : NOIDA
Date : February 13, 2023

Lt. Gen. Baldev Singh (Retd.)
(DIN: 00006966)
(President & Senior Executive Director)

Place : NOIDA
Date : February 13, 2023

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, 2022

Name of the 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

S. No	Name	Designation / nature of duties	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross Remuneration (₹)	Previous employment & designation
1	Mandeep Singh Sodhi [§]	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	30	85,283,103%	Sark Synertek Senior Marketing Engineer
2	Dr. Satinder Singh Rekhi	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	72	May 14, 1993	40	58,061,967%	Digital Information Systems Corporation Senior Management Personnel
3	Ramneet Singh Rekhi [^]	President - R Systems	MBA in Finance & Strategy from Carnegie Mellon University, Tepper School of business, and Masters of Arts in Economics from New York University.	39	July 1, 2020	11	16,919,632%	R Systems, Inc., USA Vice President
4.	Avirag Jain	Director & Chief Technology Officer	Graduate in Science and an MBA in Finance and International business and Postgraduate diploma in Cyber Law	57	September 15, 1997	33	14,409,928	Modi Olivetti/PM – Project Manager
5	Lt. Gen. Baldev Singh (Retd.) &	President & Sr. Executive Director	Masters in Military Sciences- Madras University	82	September 1, 1997	56	13,883,166	Indian Army
6	Nand Sardana	Chief Financial Officer	FCA, FCS, ACMA, CPA-USA and LLB	57	September 13, 2011	33	12,221,979	Gujrat Hydrocarbons & Power SEZ Ltd. - Head Corporate & Company Secretary

b. Employed part of the year

S. No	Name	Designation / nature of duties	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross Remuneration (₹)	Previous employment & designation

[§] Mr. Mandeep Singh Sodhi is related to Lt. Gen. Baldev Singh (Retd.), President & Sr. Executive Director of the Company.

[^] Mr. Ramneet Singh Rekhi is related to Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer.

[&] Lt. Gen. Baldev Singh (Retd.) is related to Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company.

* Particulars of employees posted and working outside India, not being directors or their relatives, drawing more than Rupees One Crore and Two Lakh 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.

[%] Employed at USA Branch of the Company, therefore, the remuneration in USD has been converted into INR using USD / INR exchange rates.

Notes:

- None of the employee owns more than 2% of the outstanding shares of the Company as on December 31, 2022 except Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company, who holds 7,403,456 equity shares in the Company being 6.26% of the total paid-up equity share capital of the Company in his own name and 11,702,623 equity shares being 9.89% of the total paid-up equity share capital of the Company jointly with Mrs. Harpreet Rekhi (as a Trustee of The Satinder and Harpreet Rekhi Family Trust) and Mr. Ramneet Singh Rekhi, President- Digital of the Company, who holds 16,236,331 equity shares in the Company being 13.72% of the total paid-up equity share capital of the Company.

- Nature of employment is contractual in all the above cases.

On behalf of the Board For R Systems International Limited

Dr. Satinder Singh Rekhi
(DIN: 00006955)
(Managing Director & Chief Executive Officer)
Place : NOIDA
Date : February 13, 2023

Lt. Gen. Baldev Singh (Retd.)
(DIN: 00006966)
(President & Senior Executive Director)
Place : NOIDA
Date : February 13, 2023

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 endeavours 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 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 the Board of Directors 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, Functioning & Procedures

R Systems has an optimum combination of executive and non-executive directors on its Board of Directors ("Board"). As at financial year ended December 31, 2022, the Board comprised of six directors, i.e. three executive directors out of whom, one is promoter director, designated as Managing Director & Chief Executive Officer (MD & CEO) and three Non-Executive Independent Directors including one Woman Independent Director.

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent from the management of the Company. The total number of Independent Directors has been at least 50% of the total strength of the Board at all times during the year under review.

Necessary disclosures regarding directorship and committee positions in other companies and shareholding as on financial year ended December 31, 2022 have been made by the directors.

Except MD & CEO 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, 2022, out of total six directors, two directors namely, Dr. Satinder Singh Rekhi, MD & CEO and Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director are relatives of each other as latter is former's sister's husband.

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 Chairman 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 Eight times on February 18, 2022, March 26, 2022, May 10, 2022, June 01, 2022, August 05, 2022, November 12, 2022, November 25, 2022 and December 15, 2022.

Composition and 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	Designation	No. of Board Meetings attended out of 8 meetings	Attendance at the last AGM on June 20, 2022 ^{&}	Directorships held of Other Companies [*]		Committee position held in Companies [^]	
					Indian Companies	Body Corporates [@]	Chairperson	Member
Dr. Satinder Singh Rekhi (DIN- 00006955)	Promoter & Executive Director	Managing Director and Chief Executive Officer	4	Yes	1	0 [§]	-	-
Lt. Gen. Baldev Singh (Retd.) (DIN- 00006966)	Executive Director	President & Senior Executive Director	8	Yes	1 [#]	-	-	2
Mr. Avirag Jain (DIN- 00004801)	Executive Director	Director & Chief Technology Officer	8	Yes	1 [#]	-	-	-
Mrs. Ruchica Gupta (DIN- 06912329)	Non- Executive Independent Director	Non-Executive & Independent Director	8	Yes	1 [#]	1	1	1
Mr. Kapil Dhameja (DIN- 02889310)	Non- Executive Independent Director	Non-Executive & Independent Director	7	Yes	1 [#]	-	1	1
Mr. Aditya Wadhwa (DIN- 07556408)	Non- Executive Independent Director	Non-Executive & Independent Director	8	Yes	-	-	-	1

* Excluding directorship Positions held in R Systems International Limited.

As at December 31, 2022, Mr. Kapil Dhameja and Mrs. Ruchica Gupta hold directorship in Private Limited Companies.

[§] As at December 31, 2022, Lt. Gen. Baldev Singh (Retd.) and Mr. Avirag Jain, hold directorship in IBIZ Consultancy Services India Pvt. Ltd., wholly-owned subsidiary of the Company. IBIZ Consultancy Services India Pvt. Ltd. is under voluntary liquidation under Section 59 of Insolvency and Bankruptcy Code, 2016.

[@] Foreign Corporates that are incorporated and having place of business outside India.

[§] Includes the offices of CEO and President.

[^] Disclosure includes Chairmanship/ Membership of Committees as required for computation of maximum number of Committees of which a Director can be Chairman or Member in terms of Regulation 26 of Listing Regulations (i.e. Chairmanship/ Membership of Audit Committee and Stakeholders' Relationship Committee in all Indian public companies including R Systems International Limited).

[&] AGM was held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) as per MCA Rules.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

2.2 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, 2022.

A declaration to this effect given by Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company, is reproduced below:

CODE OF CONDUCT DECLARATION

I, Satinder Singh Rekhi, 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, 2022.

Dr. Satinder Singh Rekhi

Place: NOIDA (Managing Director & Chief Executive Officer)
Date: January 24, 2023

2.3 Appointment/ Reappointment of Directors

Details with respect to the directors whose reappointment is proposed at the ensuing Annual General Meeting are as follows:

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.

A. Mr. Avirag Jain (Director & Chief Technology Officer) Mr. Avirag Jain (DIN: 00004801), aged about 57 years, has more than 33 years of rich experience in managing large on-site, off-site and offshore projects in Banking, Telecom, Healthcare and other domains. Mr. Avirag Jain is a Graduate in Science and an MBA in Finance and International business from IMT, Ghaziabad. He also has a post-graduate diploma in Cyber Laws from the Asian School of Cyber Laws, Pune, apart from several certifications on diverse technology and management subjects. Mr. Avirag Jain is a strong technocrat with blend of managerial, people and customer skills and heading the on-site, off-site and offshore Delivery of R Systems for more than 25 years. He Joined the Board of R Systems on August 03, 2017. As on the date of this report:-

- Mr. Avirag Jain does not hold any office of director/ member in other company's board/ committee except IBIZ Consultancy Services India Private Limited which is under voluntary liquidation.
- Mr. Avirag Jain has no outstanding ESOPs under prevailing stock option plans of the Company.
- Mr. Avirag Jain holds 100 equity shares of Re. 1/- each (negligible percentage of the total paid up share capital of the Company).
- Mr. Avirag Jain is not related to other directors of the Company.

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
Dr. Satinder Singh Rekhi	✓	✓	✓	✓	✓
Lt. Gen. Baldev Singh (Retd.)	✓	✓	✓	✓	✓
Mr. Avirag Jain	✓	✓	✓	✓	✓
Mrs. Ruchica Gupta	✓	-	✓	✓	✓
Mr. Kapil Dhameja	✓	-	✓	✓	✓
Mr. Aditya Wadhwa	✓	-	✓	✓	✓

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 Company;
- roles, rights, responsibilities of independent directors;

As part of ongoing training, the Managing Director, CFO, Business heads 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 November 12, 2022 to review the performance of Non - Independent Directors and the Board as whole. The said meeting of Independent Directors was attended by the all the Independent Directors of the Company. The Independent Directors reviewed the quality, content and timeliness of the flow of information between the Management, the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

3. BOARD COMMITTEES

3.1 Audit Committee

R Systems has a qualified and Independent Audit Committee. During the year under review, there was no change in the composition of the Audit Committee. During the year, the Audit Committee met Seven times on February 18, 2022, March 26, 2022, May 10, 2022, June 01, 2022, August 05, 2022, November 12, 2022 and December 15, 2022.

Composition of Audit Committee and details of the attendance at the seven Audit Committee meetings held during the financial year 2022 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
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member	7	7
Mr. Kapil Dhameja	Non-Executive Independent Director	Member	7	6
Mr. Aditya Wadhwa	Non-Executive Independent Director	Member	7	7

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:

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

Terms of reference of the Audit Committee

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with Internal auditors of any significant findings and follow up thereon;
- 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;
- 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;
- 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;

- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 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.
- 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.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 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.

3.2 Nomination and Remuneration Committee

3.2.1 Brief description and terms of reference

During the year under review, there was no change in the Composition of Nomination and Remuneration Committee and it consists only of Non-Executive Independent Directors as per the provisions of Section 178 of the Act and the rules made thereunder and Regulation 19 of Listing Regulations.

During the year, the Nomination and Remuneration Committee met two times on February 18, 2022, March 26, 2022.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Composition of Nomination and Remuneration Committee and details of the attendance at the two Nomination and Remuneration Committee meetings held during the financial year 2022 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	2	2
Mr. Kapil Dhameja	Non-Executive Independent Director	Member	2	1
Mr. Aditya Wadhwa	Non-Executive Independent Director	Member	2	2

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

- 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 and Remuneration 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:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;

- 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;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
- To carry any other duties as may be required under the SEBI (Listing Obligations & Disclosures 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.

3.2.2 PERFORMANCE EVALUATION

In terms of the provisions of the Act, Listing Regulations and as per the recommendation of the Nomination and Remuneration 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.

3.2.3 NOMINATION AND REMUNERATION POLICY

A. Introduction: This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other employees has been formulated in terms of the provisions of the Companies Act,

2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order inter-alia to pay equitable remuneration to Directors, KMPs, SMP and other employees of the Company. This policy shall act as guidelines on matters relating to the remuneration, appointment of the Directors, Key Managerial Personnel and Senior Management Personnel and other employees.

B. Applicability:- The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel and other employees

C. Definitions:

In this policy unless the context otherwise requires

- "Act" means Companies Act, 2013 and rules made thereunder, as amended from time to time.
- "Company" means R Systems International Limited.
- "Board" means Board of Directors of R Systems International Limited.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.
- "Key Managerial Personnel" or "KMP" means Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and such other persons who may be deemed to be KMP under the Companies Act, 2013.
- "Senior Management Personnel" means officers/ personnel of the Company, who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole Time Director/ Manager (including Chief Executive Officer/ Manager, in case they are not part of the Board) and shall include Functional head, Company Secretary and Chief Financial Officer.

D. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee shall govern the following:

- 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 and Senior Management Personnel and other employees.

For every appointment of an independent director, the Nomination and Remuneration 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:

 - o use the services of an external agencies, if required;
 - o consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - o consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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;
- 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;
- recommend to the board, all remuneration, in whatever form, payable to senior management;

ANNEXURE 'C' TO THE DIRECTORS' REPORT

7. support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
8. To carry any other duties as may be required under the SEBI (Listing Obligation & Disclosures Requirement) Regulations, 2015 and Companies Act, 2013 and rules made thereunder or as may be delegated by the Board of Directors from time to time.

E. CRITERIA FOR SELECTION OF CANDIDATES FOR MEMBERSHIP ON THE BOARD OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL

a. General Criteria

A person to be appointed as Director, KMP or Senior Management Personnel should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

Further, person to be appointed/ re-appointed as director should:

- be an individual of the highest integrity and have an inquiring mind, a willingness to go into details and the ability to work well with others;
- be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
- be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director;
- have the capacity and desire to represent the best interests of the stakeholders as a whole; and
- not be disqualified under the provisions of the Companies Act, 2013 and applicable rules and regulations.

b. Specific Criteria

In addition to the aforesaid, the Nomination and Remuneration Committee may, if it deems fit, advise from time to time, develop specific criteria outlining the qualification, skills, experience,

expertise, backgrounds, and other characteristics that should be represented on the Board to enhance its effectiveness. Any such criteria should take into account the particular needs of the Company based on its business, size, ownership, growth objectives, community, customers and other characteristics and should be adjusted as these Company's characteristics evolve.

F. REMUNERATION POLICY

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 as more fully and particularly envisaged under Section 178 of the Act, inter-alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc. Remuneration policy of R Systems is as follows:

a. Executive Directors' Remuneration

1. At the time of appointment or re-appointment, Managing Director and the Executive Directors of the Company i.e. Whole-time Director as defined in the Companies Act, 2013 by whatever name may be called (hereinafter known as Executive Directors) shall be paid such remuneration as may be proposed by Nomination and Remuneration Committee and subsequently approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the Members of the Company at its General Meeting, wherever required under the provisions of the Companies Act, 2013 and rules made there under or under the provision of any other laws as may be applicable.
3. The remuneration of the Executive Directors is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus and may include:
 - Short-term incentives, based on the achievement of a number of individual, pre-

defined financial and strategic business targets recommended by the Committee.

- Long-term incentives in the form of stock options, promoting a balance between short- term achievements and long-term thinking. The Directors shall be eligible to participate in the stock options only subject to the compliance of the conditions under the provisions of the Companies Act, 2013, Listing Regulations and the other Rules/ Regulations as prescribed by the Securities & Exchange Board of India ("SEBI") in this regard.
 - Pension contributions, made in accordance with applicable laws and employment agreements.
 - Severance payments in accordance with termination clauses in employment agreements and subject to the provisions of the Companies Act, 2013 and other applicable laws.
4. In determining the remuneration (including the element as defined in clause 3) the Nomination and Remuneration Committee shall ensure/ consider the following:
 - I. Remuneration shall be evaluated annually against performance industry benchmarks and current trends.
 - II. Balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.
 - III. Responsibility required to be shouldered by the Executive Directors, the industry benchmarks and the current trends.
 - IV. The Company's performance vis-à-vis the annual budget achievement and individual performance vis- à-vis the KRAs / KPIs.
 5. Minimum remuneration to Executive Directors

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 Companies Act, 2013 and other applicable rules and regulations. Non-Executive directors shall not be entitled to any fixed or monthly salary or other remuneration.

c. Remuneration policy for the 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.

In determining the remuneration to Key Managerial Personnel, Senior Management Personnel and other employees the following shall be considered:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. the Company shall follow a compensation mix of fixed component and variable component. Fixed Component comprises salaries, perquisites and retirement benefits and a variable component comprises performance bonus and may include:
 - o Short-term incentives, based on the achievement of a number of individual, pre- defined financial and strategic business targets.
 - o Long-term incentives in the form of stock options, promoting a balance between short- term achievements and long-term thinking, in accordance to various applicable laws.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

- o Pension contributions, made in accordance with applicable laws and employment agreements.
- o Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework.
- iv. 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. The Benchmark information is obtained from recognized compensation service consultancies, whenever required. The aforesaid policy is available at the website of the Company at the following web link: <https://www.rsystems.com/investors-info/corporate-governance/>.

3.2.4 Brief terms of employment and details of remuneration paid to the executive directors during the year ended December 31, 2022

(Amount in ₹)

S. No.	Particulars	Dr. Satinder Singh Rekhi	Lt. Gen. Baldev Singh (Retd.)	Mr. Avirag Jain
a)	Salary, benefits and allowances (fixed)	33,241,967	8,721,511	5,884,105
b)	Incentive (fixed)	24,820,000*	4,682,135 [§]	8,253,775 [§]
c)	Provident fund	Nil	479,520	272,048
d)	Stock options granted	Nil	Nil	Nil
e)	Pension	As per the applicable policy for employees	As per the applicable policy for employees	As per the applicable policy for employees
f)	Service contract	5 years	2 year	3 years
g)	Notice period	36 months	6 months	3 months
h)	Severance fees	Compensation in lieu of notice	Compensation in lieu of notice	Compensation in lieu of notice
i)	Shareholding in R Systems as on December 31, 2022	7,403,456 equity shares of ₹ 1/- each in his own name and 11,702,623 equity shares of ₹ 1/- each jointly with Mrs. Harpreet Rekhi as a trustee of The Satinder and Harpreet Rekhi Family Trust.	8,242 equity shares of ₹ 1/- each	100 equity shares of ₹ 1/- each

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

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

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

3.2.5 Criteria and details of payment of remuneration to the non-executive directors during the year ended December 31, 2022.

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, 2022 is as follows:

(Amount in ₹)

Sl. No.	Name of the Director	Category of Director	Sitting Fees Paid
1.	Mrs. Ruchica Gupta	Non-Executive Independent Director	420,000
2.	Mr. Kapil Dhameja	Non-Executive Independent Director	350,000
3.	Mr. Aditya Wadhwa	Non-Executive Independent Director	420,000
		Total	1,190,000

As on December 31, 2022, none of the existing Non-Executive and Independent Director of the Company holds any shares, options or any other convertible instruments in the Company.

Apart from the sitting fees paid, the Company has no other pecuniary relationship with any of its Non-Executive Independent Director.

3.3 Compensation Committee

The Compensation Committee is responsible for the formulation, implementation and administration of all the stock option plans, which inter alia, includes determination of eligibility criteria, maximum number of options or shares to be offered to each employee, the aggregate number of options or shares to be offered during the period covered under each scheme, identification of classes of employees entitled to participate in the scheme, framing a detailed pricing formula, mode or process of exercise of the option, conditions under which the options may lapse etc. for the employees, directors and senior management personnel of R Systems and its subsidiaries.

Composition of the Compensation Committee is as follows:

Name of Member	Category of Director	Position
Mrs. Ruchica Gupta	Non-Executive Independent Director	Chairperson
Mr. Kapil Dhameja	Non-Executive Independent Director	Member
Mr. Aditya Wadhwa	Non-Executive Independent Director	Member

During the year under review, there was no change in the composition of the Compensation Committee and no meeting was held.

3.4 Stakeholders' Relationship Committee

As on December 31, 2022, the Stakeholders' Relationship Committee of R Systems comprised of three directors, with Non-Executive Independent Director as its Chairperson 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 four times on February 18, 2022, May 10, 2022, August 05, 2022 and November 12, 2022.

Composition of Stakeholders' Relationship Committee and details of the attendance at the four meetings of Stakeholders' Relationship Committee held during the financial year 2022 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	Chairperson	4	3
Mrs. Ruchica Gupta	Non-Executive Independent Director	Member	4	4
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member	4	4

ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

1. 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.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. 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.
5. 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

Shareholders grievances/ complaints received and resolved during the year:

(i)	Number of shareholders' complaints received during the year ended December 31, 2022	17
(ii)	Number of complaints not resolved to the satisfaction of shareholders	Nil
(iii)	Number of pending complaints	Nil

3.5 Corporate Social Responsibility Committee (CSR 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. Our CSR activities are planned and well-organized to educate, support and empower less privileged communities and preserve the environment. 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 under review, there was no change in the composition of the CSR Committee. During the year, the CSR Committee met four times on February 18, 2022, June 01, 2022, November 12, 2022 and December 15, 2022.

Composition of CSR Committee and details of the attendance at the four meetings of CSR Committee held during the financial year 2022 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	Chairperson	4	3
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member	4	4
Mrs. Ruchica Gupta	Non-Executive Independent Director	Member	4	4

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.

3.6 Risk Management Committee

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 under review, there was no change in the composition of the Risk Management.

During the year, the Risk Management Committee met two times on February 18, 2022, and August 05, 2022.

Composition of Risk Management and details of the attendance at the two meetings of Risk Management Committee held during the financial year 2022 are as follows:

Name of Member	Category of Director	Position	No. of meetings held	No. of meetings attended
Mrs. Ruchica Gupta	Non-Executive Independent Director	Chairperson	2	2
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member	2	2
Mr. Kapil Dhameja	Non-Executive Independent Director	Member	2	1

The Terms of reference and role of the Risk Management Committee of the Company is as follows:

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).

ANNEXURE 'C' TO THE DIRECTORS' REPORT

4 Subsidiary Companies

As at December 31, 2022, the Company has twenty six subsidiaries including step down subsidiaries.

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.

During the year under review, in terms of the Listing Regulations and as per the policy for determining Material Subsidiary, the following are the details of the material subsidiaries:

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 (Firm's Registration No. 117366W/W-100018)	February 18, 2022
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	May 20, 2022

*Subsidiary of the Company since January 2, 2001.

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

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

All the material subsidiaries are incorporated and based outside India.

In terms of the Listing Regulations, Mrs. Ruchica Gupta, Non-Executive Independent Director of the Company has been appointed as Director in R Systems, Inc., material subsidiary of the Company.

During the year under review, IBIZ Consultancy Services India Pvt. Limited (IBIZ India), wholly owned subsidiary of 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. Ms. Gunjan Mittal has been appointed as a liquidator of IBIZ India to implement the said liquidation. The petition for approving the voluntary liquidation has been filed with the Hon'ble National Company Law Tribunal, New Delhi.

On October 17, 2022, R Systems Consulting Services Limited, Singapore, subsidiary of R Systems, has incorporated a wholly-owned subsidiary in Vietnam namely R Systems Consulting Services Company Limited.

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

5. General Body Meetings

5.1 Details for the last three Annual General Meetings ("AGM")

AGM Date & Time	Venue	Special Resolutions Passed
26 th AGM June 30, 2020 09:00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> Continuation of Mr. Satinder Singh Rekhi (DIN: 00006955), as Managing Director of the Company. Re-appointment and remuneration of Mr. Avirag Jain (DIN: 00004801) as Director & Chief Technology Officer.

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

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

5.3 During the year under review, the Company has passed following resolution through Postal Ballot.

Resolution: Voluntary Delisting of Equity Shares of R Systems International Limited ("R Systems"/ "Company") from National Stock Exchange of India Limited and BSE Limited.

Details relating to voting pattern are as follows:

Particulars	(A) Special Resolution			Percentage
	Number of Votes received		Total	
	e-votes	Postal Ballot		
Assent	104,220,494	NA*	104,220,494	98.3975
Dissent	1,696,934	NA*	1,696,934	1.6021
Abstain	364	NA*	364	0.0003
Total	105,917,792	NA*	105,917,792	100.0000

Particulars	(B) Result of votes cast by the public shareholders in terms of Regulation 11 of Delisting Regulations			Percentage
	Number of Votes received		Total	
	e-votes	Postal Ballot		
Assent	43,091,025	NA*	43,091,025	96.2104
Dissent	1,696,934	NA*	1,696,934	3.7888
Abstain	364	NA*	364	0.0008
Total	44,788,323	NA*	44,788,323	100.0000

*As per MCA Circulars.

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 ballot and e-voting process in a fair and transparent manner.

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

ANNEXURE 'C' TO THE DIRECTORS' REPORT

6. Disclosures

6.1 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 34 in the standalone and consolidated financial results for the financial year ended December 31, 2022.

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

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/investors-info/corporate-governance/>.

6.2 Statutory Compliance, Penalties and Strictures

During the year under review, 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.

6.3 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, 2022, no employee has been denied access to the Audit Committee. The details of such Whistle Blower policy (also known as Vigil Mechanism) have been available on the website of the Company at the following link: <https://www.rsystems.com/investors-info/corporate-governance/>.

6.4 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.

6.5 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. 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 Annual 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, [Firm's Registration No. 117366W/ W-100018], 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 SEBI of 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.

During the year under review, pursuant to Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 10,461 equity shares to the Demat account of the Investor Education and Protection Fund Authority. 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) also requires disclosures of adoption by the Company of non-mandatory requirements specified in part E of Schedule II of the Listing Regulations. The implementation of which is discretionary on the part of the Company. 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 on its Board. However, there is no permanent chairperson of the Board.

Shareholders Rights

The quarterly 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 (DP)/ 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.

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

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition

and Redressal) Act, 2013 ("PoSH"), your Company has a robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Complaints Committee ("ICC") under PoSH. The Committee is composed of internal members and an external member who has extensive experience in the field. During the year ended December 31, 2022, there was no case reported to ICC of sexual harassment.

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

M/s. Sanjay Grover & Associates 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.

6.8 Details of fees paid to Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [Firm's Registration No. 117366W/ W-100018], 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, 2022 are as follows:

	(Amount in ₹)
Total Fees paid by the Company for the audit and related services to M/s. Deloitte Haskins & Sells LLP.	5,321,600
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.	2,180,003
Other fees paid by the Company and its subsidiaries to M/s. Deloitte Haskins & Sells LLP and to all entities in its network.*	2,597,399

* Including out of pocket expenses.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

7. Means of Communication

- 7.1. The quarterly and year to date audited/ unaudited financial results are published in the leading newspaper of India namely Business Standard.
- 7.2. The financial results and other corporate information are available on R Systems' website 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.
- 7.3. The presentations made to the institutional investors or to the industry analysts are also available on the Company's website www.rsystems.com.
- 7.4. Financial results are also sent to all the shareholders whose email address is registered with their Depository Participants (DP)/ Company.

8. General Shareholder Information

8.1 Annual General Meeting

- Date and Time** : Wednesday, June 21, 2023 at 9:30 A.M.
- Venue** : Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM).

8.2 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.

8.3 Date of Book Closure - N.A.

8.4 Dividend Payment Date - N.A.

8.5 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

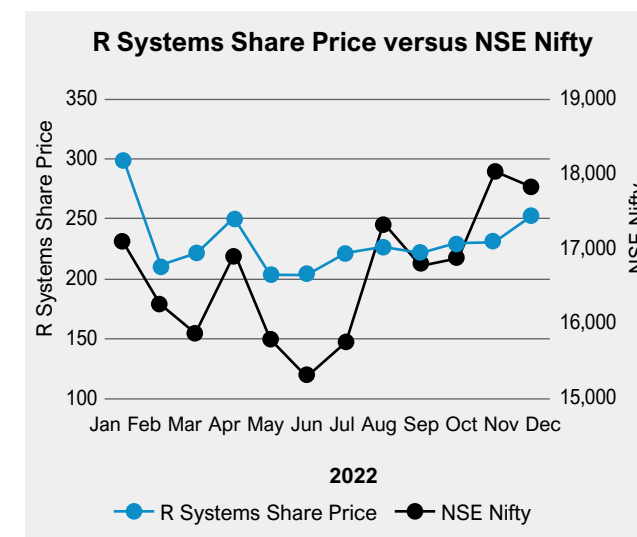
The annual listing fee for the year 2022-23 has been paid within the scheduled time to NSE and BSE. The annual listing fee for the year 2023-24 will become due on March 31, 2023 and will be paid within the scheduled time as prescribed under the provision of Listing Regulations.

8.6 Market Price Data: High, Low during each month in financial year ended December 31, 2022

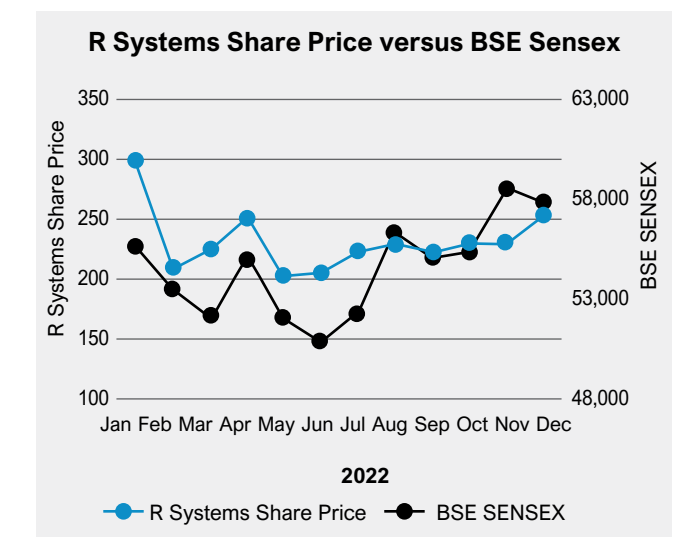
The monthly high and low quotations of R Systems' equity shares traded on NSE and BSE during each month in the financial year ended December 31, 2022, in comparison with NSE Nifty and BSE Sensex, are as follows:

Month 2022	NSE				BSE			
	SHARE PRICE		NIFTY		SHARE PRICE		SENSEX	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
Jan	332.00	298.20	18,308.10	17,101.95	331.90	297.65	61,308.91	57,200.23
Feb	302.55	209.45	17,780.00	16,247.95	302.50	209.30	59,558.33	54,529.91
Mar	287.40	221.75	17,498.25	15,863.15	286.50	222.25	58,683.99	52,842.75
Apr	279.35	250.10	18,053.40	16,953.95	279.45	250.30	60,611.74	56,463.15
May	238.35	200.95	17,069.10	15,782.15	237.55	201.55	56,975.99	52,792.23
Jun	239.30	203.55	16,628.00	15,293.50	239.45	204.30	55,818.11	51,360.42
Jul	266.80	222.35	17,158.25	15,752.05	267.35	222.80	57,570.25	52,907.93
Aug	246.75	225.75	17,956.50	17,312.90	247.65	226.00	60,298.00	57,972.62
Sep	252.85	221.55	18,070.05	16,818.10	253.15	220.90	60,571.08	56,409.96
Oct	242.65	229.30	18,012.20	16,887.35	242.25	229.20	60,746.59	56,788.81
Nov	271.00	229.85	18,758.35	18,028.20	271.10	229.95	63,099.65	60,613.70
Dec	279.25	252.90	18,812.50	17,806.80	279.10	252.95	63,284.19	59,845.29

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.



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.



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

8.7 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

8.8 Share Transfer System

As per SEBI norms, all requests for transfer of securities including transmission or transposition shall be processed only in dematerialised form. Further vide circular dated January 24, 2022, SEBI has notified that all requests for duplicate issuance, splitting and consolidation requests too will be processed in demat mode only.

Transfer of Equity Shares in dematerialized form are done through depositories with no involvement of the Company/ the registrar and share transfer agent. The registrar and share transfer agent of R Systems periodically receives the details of beneficiary holdings from depositories

8.9 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
December 20, 2014	4 th Interim (Special) Dividend 2014	January 19, 2022*
June 9, 2015	Final 2014	July 9, 2022*
April 23, 2015	1 st Interim Dividend 2015	May 23, 2022*
August 5, 2015	2 nd Interim (Special) Dividend 2015	September 4, 2022*
October 29, 2015	3 rd Interim Dividend 2015	November 28, 2022*
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 nd Interim Dividend 2021	December 2, 2028
June 01, 2022	Interim Dividend 2022	July 01, 2029

* Unpaid dividends for IVth Interim Dividend 2014, final dividend for the year 2014, 1st Interim Dividend 2015, 2nd Interim (Special) Dividend 2015 and 3rd Interim Dividend 2015 which were declared on December 20, 2014, June 9, 2015, April 23, 2015, August 5, 2015 and October 29, 2015, respectively, have been deposited to the Investor Education and Protection fund on January 24, 2022, July 12, 2022, June 02, 2022, September 21, 2022 and November 30, 2022 i.e. within a period of thirty days of such amounts becoming due to be credited to IEPF.

8.10 Distribution of Shareholding as on December 31, 2022

Shareholding of nominal value of (₹)	Shareholders		Share Capital	
	Number	% to total	Number	% to total
1 - 2,500	29,479	98.41	4,856,544	4.11
2,501 - 5,000	236	0.79	862,776	0.73
5,001 - 10,000	108	0.36	790,794	0.67
10,001 - 20,000	57	0.19	777,313	0.66
20,001 - 30,000	17	0.06	409,222	0.35
30,001 - 40,000	15	0.05	529,884	0.45
40,001 - 50,000	6	0.02	270,148	0.23
50,001 - 1,00,000	11	0.04	808,493	0.68
Above 1,00,000	25	0.08	108,998,271	92.13
TOTAL	29,954	100.00	118,303,445	100.00

8.11 Category wise Shareholding as on December 31, 2022

Category	Category of Shareholder	No. of shares	Percentage
(A)	Promoters & Promoter Group		
1	Indian	2,011,822	1.70
2	Foreign	59,118,147	49.97
	Sub Total (A)	61,129,969	51.67
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds / UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Foreign Institutional Investors/ Foreign Portfolio Investors	478,314	0.40
	Sub Total (B)(1)	478,314	0.40
2	Non-institutions		
(a)	Resident Individual shareholders holding nominal share capital up to ₹ 2 lakh	8,016,371	6.78
(b)	Resident Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1,597,373	1.35
(c)	Directors & their relatives	439,488	0.37
(d)	Key Managerial Personnel	195,790	0.17
(e)	Non Resident Indians (NRIs)	43,516,871	36.78
(f)	Foreign Nationals	162,000	0.14
(g)	Any Other (Clearing Members)	4,689	0.00
(h)	Any Other (Bodies Corporate)	2,119,776	1.79
(i)	Any Other (Investor Education and Protection Fund)	45,537	0.04
(j)	Any Other (HUF)	303,806	0.26
(k)	Any Other (Trust)	500	0.00
(l)	Any Other (LLP)	292,961	0.25
	Sub Total (B)(2)	56,695,162	47.92
	Total Public Shareholding (B)(1) + (B)(2)= (B)	57,173,476	48.33
	Grand Total (A+B)	118,303,445	100.00

ANNEXURE 'C' TO THE DIRECTORS' REPORT

8.12 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.

About 99.81% of the issued and paid up share capital of the Company has been dematerialised up to financial year ended December 31, 2022. 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.

8.13 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, 2022.

8.14 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.

8.15 Offices of R Systems and its subsidiaries including Development/ Technical Support Centres

1.	Noida Offices - C - 40 & C - 1, Sector - 59, Noida (U.P.) - 201 307 - SEZ Units, 1 st , 2 nd , 3 rd , 4 th Floor, Tower 1, Plot No. 21, Sector Techzone IV, Greater Noida West- 201306 (U.P.) India
2.	Chennai Office Plot# NP 1 & 2, Industrial Estate, Sidco Industrial Estate, Guindy, Chennai -600032
3.	U.S.A. Branch Office 5000, Windplay Drive, Suite #5, El Dorado Hills, CA 95762, U.S.A.
4.	R Systems Inc. California Office 5000, Windplay Drive, Suite # 5, El Dorado Hills, CA 95762, U.S.A. Chicago Office 1431 Opus Place, suite 110, Downers Grove IL 60515
5.	R Systems Technologies Ltd. 5000, Windplay Drive, Suite #5, El Dorado Hills, CA 95762, U.S.A.
6.	RSYS Technologies Ltd. Vancouver office 1000, Cathedral Place, 925 West Georgia Street, Vancouver BC V6C 3L2, Canada Ontario office 2425 Matheson Blvd East Unit 778, Mississauga, Ontario L4W 5K4, Canada
8.	R Systems Computaris International Limited Swan House, 9 Queens Road, Brentwood Essex, CM14 4HE, United Kingdom

9.	R Systems Computaris Europe S.R.L. Bucharest office Tiriac Tower, Str. Buzesti 82-94, 5 th floor, District 1, Bucuresti, 011017 Romania Galati office 23 Logofat Tautu Str., 800009, Galati, Romania Craiova office 2 Market Street, Chiriac Market, Dolj, Craiova, Romania Germany Office Rather StraBe 110 a, 40476 Dusseldorf
10.	R Systems Computaris Poland sp z o.o. Warsaw office Babka Tower, entrance H, 6 th floor, Al. Jana Pawla II 80, 00-175 Warsaw, Poland Bialystok office ul. Branickiego 17A, 15 -085 Bialystok, Poland
11.	R Systems Computaris S.R.L. Vlaicu Pircalab Street, No 63, Et. 8, Oficiu B, MD - 2012, Sky Tower Business Center, Chisinau, Republica Moldova
12.	R Systems Computaris Malaysia Sdn. Bhd. Lot. No. 5F-1, 5 th Floor Tower 5, Puchong Financial Corporate Center Jalan Puteri ½, Bandar Puteri, 47100 Puchong, Selangor, Malaysia
13.	R Systems Computaris Philippines Pte. Ltd. Level 16 Tower 6789 6789, Ayala Avenue, 1206 Makati City, Philippines
14.	R Systems Computaris Suisse Sàrl Rue du Trésor 9, c/o Me Madalina Diaconu, Etudes SPLC Avocats & Notaires, 2000 Neuchâtel, Switzerland
15.	R Systems Consulting Services Limited 16, Jalan Kilang, #04-01 Hoi Hup Building, Singapore - 159 416
16.	R Systems Consulting Services (M) Sdn. Bhd. Suite 5F-1, 5 th Floor, Tower 5, Puchong Financial Corporate Centre (PFCC) Jalan Puteri ½, Bandar Puteri, 47100 Puchong Selangor, Malaysia

17.	R Systems Consulting Services (Hong Kong) Limited Rm 2808 28/F Wu Chung House 213 Queen's Road East, Wan Chai, Hong Kong
18.	R Systems Consulting Services (Thailand) Co., Ltd. Company Limited) 2/3 Bangna Tower-A, 2 nd Floor, Room No. 205-206, Moo 14, Bangna-Trad K.M. 6.5, Tambol Bangkaew, Amphoe Bangplee, Samutprakarn Province 10540, Thailand
19.	R Systems Consulting Services Kabushiki Kaisha Housho building 3F-B,15-2 Rokubancho, Chiyoda- ku, Tokyo, Japan, 102-0085
20.	R Systems Consulting Services (Shanghai) Co., Ltd. Rm H, 20 Floor, Foresight Mansion, No. 768 Xie Tu Rd, Shanghai, People's Republic of China
21.	R Systems Consulting Services Company Limited, Vietnam Level 9, Lim Tower 3, 29A Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam
22.	R Systems (Singapore) Pte Limited #04-01, 16 Jalan Kilang, Hoi Hup Building, Singapore 159416
23.	R Systems IBIZCS Pte. Ltd. 2 Jalan Kilang Barat #04-01, Singapore 159346
24.	IBIZ Consulting Services Pte Ltd. 2 Jalan Kilang Barat #04-01, Singapore 159346
25.	R Systems IBIZCS Sdn. Bhd. Suite 5F-1, 5 th Floor, Tower 5, Puchong Financial Corporate Centre (PFCC) Jalan Puteri ½, Bandar Puteri, 47100 Puchong Selangor, Malaysia
26.	PT Rsystems IBIZCS International Setiabudi Buidling 2, 2 nd Floor, Suite 203, Jl. H.R. Rasuna Said Kav. 62 Jakarta, Selatan 12920, Indonesia
27.	IBIZ Consultancy Services India Private Limited* Flat No-1A/6 G/F Devika Tower Nehru Place, New Delhi - 110019
28.	IBIZ Consulting (Thailand) Co Ltd. 2/3 Bangna Tower-A, 2 nd Floor, Room No. 205-206, Moo14, Bangna-Trad K.M.6.5 Road, Bangkaew Sub-district, Bangplee District, Samutprakarn Province, Thailand

ANNEXURE 'C' TO THE DIRECTORS' REPORT

29.	IBIZ Consulting Services Limited Units 1901-3, 19/F, Strand 50, 50 Bonham Strand, Sheung Wan, Hong Kong
30.	IBIZ Consulting Services (Shanghai) Co., Ltd Room 1721, 17F, Building A, CCIG International Plaza, No. 331, North Caoxi Road, Xuhui District, Shanghai, People's Republic of China 200030

* Under voluntary liquidation.

9. 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, 1st 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

For general correspondence: R Systems International Limited

Corporate Office
C - 40, Sector - 59,
Noida (U.P.) - 201 307, India
Phone : 0120 - 430 3500,
Fax : 0120 - 408 2699
Email : investors@rsystems.com

On behalf of the Board For R Systems International Limited

Dr. Satinder Singh Rekhi
(Managing Director &
Chief Executive Officer)
(DIN: 00006955)

Place: NOIDA
Date: February 13, 2023

Lt. Gen. Baldev Singh (Retd.)
(President & Senior
Executive Director)
(DIN: 00006966)

Place: NOIDA
Date: February 13, 2023

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF R SYSTEMS INTERNATIONAL LIMITED

We, Satinder Singh Rekhi, 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, 2022 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.

Dr. Satinder Singh Rekhi
(Managing Director & Chief Executive Officer)
Place : NOIDA
Date : February 06, 2023

Nand Sardana
(Chief Financial Officer)
Place : NOIDA
Date: February 06, 2023

ANNEXURE 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

R Systems International Limited

(CIN: L74899DL1993PLC053579)

GF-1-A, 6, Devika Tower,

Nehru Place, New Delhi- 110019.

- That R Systems International Limited (CIN: L74899DL1993PLC053579) is having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- We have examined the relevant disclosures received from the Directors & 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 of Para-C of Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- We have also done examination and verification of the disclosures under Section 149, 164, 184 and 189 received from the Directors and Register of Directors and Key Managerial Personnel and their Shareholding under Section 170 of the Companies Act, 2013 (the Act) and DIN status of the Directors at MCA portal i.e. www.mca.gov.in. In our opinion and to the best of our knowledge and on the basis of information furnished to us by the Company and its officers, we certify that none of the below named Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as on December 31, 2022:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Dr. Satinder Singh Rekhi	00006955	14/05/1993
2.	Lt. Gen. Baldev Singh (Retd.)	00006966	01/09/1997
3.	Mr. Avirag Jain	00004801	03/08/2017
4.	Ms. Ruchica Gupta	06912329	07/07/2014
5.	Mr. Kapil Dhameja	02889310	29/06/2016
6.	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 based on our verification and 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 as on December 31, 2022 and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For, Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 1352/2021

Kapil Dev Taneja
Partner

CP No.: 22944 / Mem. No. F4019
UDIN: F004019D003146741

Place: New Delhi
Date: 13th February, 2023

ANNEXURE 'D' TO THE DIRECTORS' REPORT

TO

THE MEMBERS OF

R SYSTEMS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

- This certificate is issued in accordance with the terms of our engagement letter dated 24 June, 2022.
- 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, 2022, 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

- 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

- 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.
- 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.
- 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.
- 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

- 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, 2022.
- 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)

Jitendra Agarwal
Partner

(Membership No. 87104)
(UDIN:23087104BGYKVS4633)

Place: NOIDA
Date: 13 February, 2023

ANNEXURE 'E' TO THE DIRECTORS' REPORT

MANAGEMENT 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 form and substance of transactions and reasonably present the state of affairs, profits, and cash flows for the year.

A. Industry Structure and Developments

Over the last two years, the Covid-19 pandemic has increased the relevance of digital transformation projects across the globe. They are triggering investments across front-end transformations and personalization of the customer experience, as well as at the back end, to operate seamlessly, simplify and digitize processes,

reduce turnaround times for customer service requests and enhance the end-to-end customer journeys. While the pandemic and macroeconomic headwinds affected businesses and industries, economies are experiencing a strong but unbalanced recovery. This disruption has created space for organizations across industries to drive innovation in services and products with Artificial Intelligence, Augmented Reality (AR) / Virtual Reality (VR), Cloud, Internet of Things (IoT), among others.

The IT industry is rapidly progressing and diving into the next wave of digital transformation, utilising technologies and resources to their full potential. IT spending in India is projected to grow 2.6% year on year in 2023, according to a forecast by global research firm Gartner Inc. There lies a prime opportunity for businesses across sectors to capitalise on these disruptive technologies to generate actionable business insights that can create differentiated business outcomes.

Technology disruption has created space for organizations across industries to drive innovation in services and products with Artificial Intelligence, Augmented Reality (AR) / Virtual Reality (VR), Cloud, Internet of Things (IoT), among others.

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 the National Stock Exchange of India Limited and BSE Limited. The Group is a leading global provider of technology, artificial intelligence, RPA 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 Group's services and solutions span over five major business verticals: Technology, Telecom, Healthcare and Life Science, Finance and Insurance, Retail and e-commerce.

The Company has the following subsidiaries:

Name	Holding as at		Country of incorporation and other particulars
	December 31, 2022	December 31, 2021	
R Systems, Inc., USA (refer to Note a below)	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 b below)	-	100%	A company registered under the laws of India in 2008 and subsidiary of the Company since April 30, 2015.



ANNEXURE 'E' TO THE DIRECTORS' REPORT

- a. R Systems Inc., USA held 100% membership interest in Innovizant, LLC w.e.f. January 1, 2019. Effective August 31, 2021, Innovizant, LLC has been merged with R Systems Inc.
- b. During the 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. Subsequent to the year ended December 31, 2022, the application for approving the voluntary liquidation and dissolution of IBIZ India, along with the final report of the liquidator, has been filed with the Hon'ble National Company Law Tribunal, New Delhi.

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

Name	Holding as at		Country of incorporation
	December 31, 2022	December 31, 2021	
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%	–	Vietnam

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

Name	Holding as at		Country of incorporation
	December 31, 2022	December 31, 2021	
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, 2022	December 31, 2021	
IBIZ Consulting Services Pte. Ltd.	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

ANNEXURE 'E' TO THE DIRECTORS' REPORT

R Systems having transformational DNA, navigating businesses to use technology to redefine their businesses models in the present uncertain environment to realize their respective business objectives.

C. Opportunities and Threats

Even as fears of a global slowdown depress sentiment, Digital will continue to drive the IT industry agenda for year 2023. As per the latest Gartner report, the software and IT services segments are projected to grow 9.3% and 5.5% in 2023, respectively. R Systems having transformational DNA, navigating businesses to use technology to redefine their businesses model in the present uncertain environment to realize their respective business objectives.

As every opportunity comes up with inherent risks and challenges, however, over the years, R Systems has learnt to reckon with as well as address such risks and challenges, including threats from competitors including their disruptive tactics, new technologies, cyber security, intensifying demand for global talent, retention of employees and stringent governing norms regarding restrictions on outsourcing services.

At R Systems, these threats and uncertainties are managed proactively through our risk mitigation processes and strategies.

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

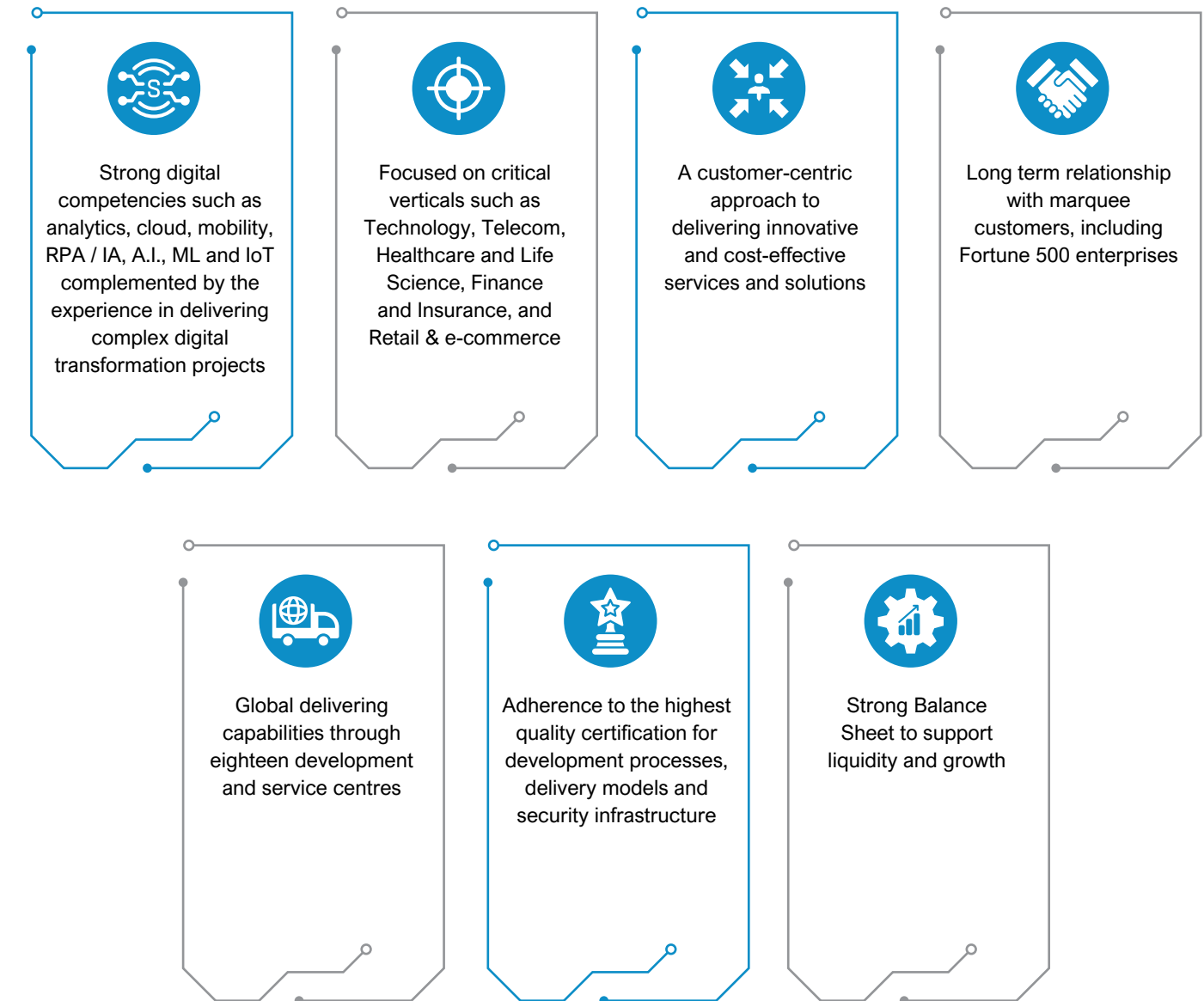
R Systems reported consolidated revenue of ₹ 15,158.31 million during the year 2022 as against revenue of ₹ 11,556.39 million during the year 2021. The revenue grew by 31.17% during the year 2022.

Consolidated Profit after tax during the year 2022 was ₹ 1,396.81 million as against net Profit for the year 2021 of ₹ 1,414.36 million.

The basic earnings per share (based on the consolidated financial statement) during the year 2022 was ₹ 11.81 per share as against ₹ 11.85 per share in 2021 of the face value of Re. 1 each.

R Systems maintains a solid financial position with shareholder funds of ₹ 5,454.70 million, including net cash and bank balance of ₹ 2,680.79 million as of December 31, 2022, 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:



ANNEXURE 'E' TO THE DIRECTORS' REPORT

F. Risk and Concerns

At R Systems, risk management is a dynamic process with an attempt to constantly identify all the emerging risks and propose solutions to manage them meticulously. 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.

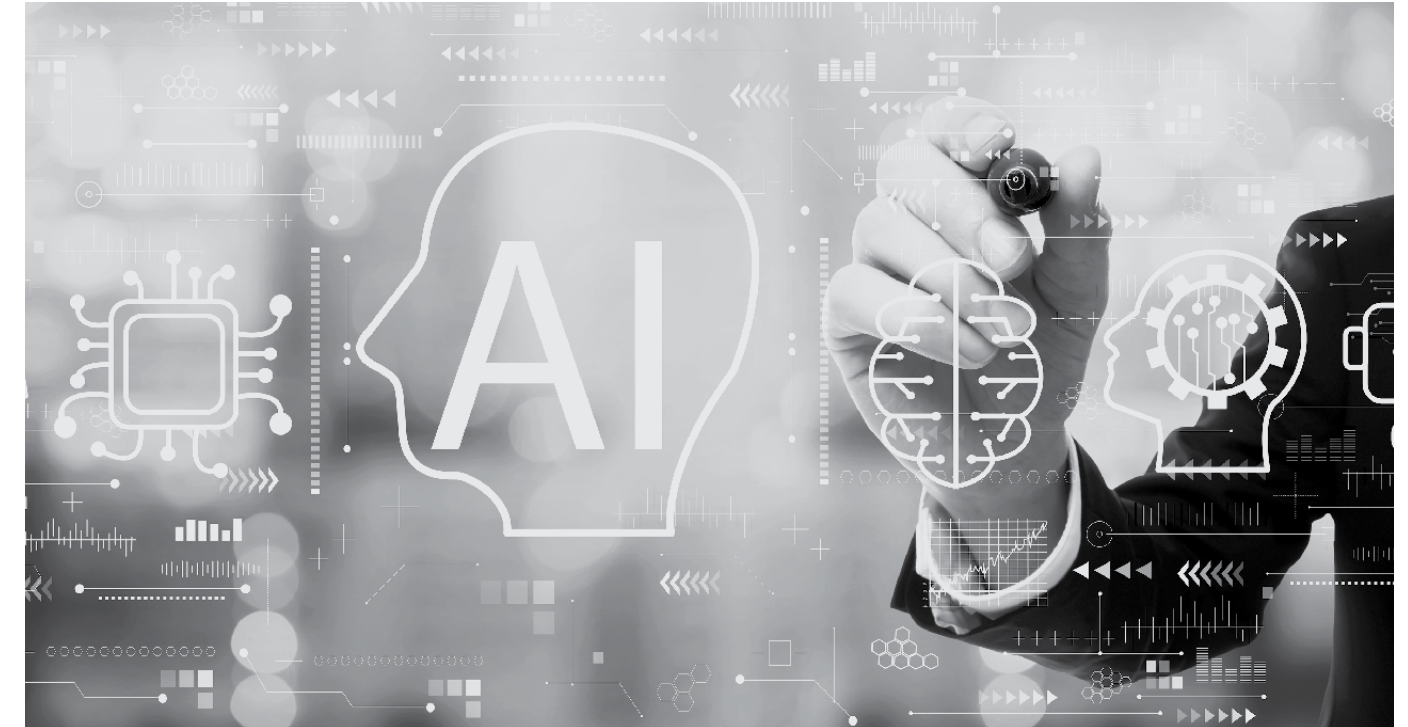
The CEO/CFO certification provided in this report places responsibility on the CEO and CFO to continuously ensure the adequacy of the Company's internal control systems and procedures.

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

At R Systems, we identify our associates as our most valued assets, and we recognise their commitment to the growth journey of our 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 FY2022, R Systems has a talent pool of 4,420 associates, including 546 sales and support associates.

At R Systems, we identify our associates as our most valued assets, and we recognise their commitment to the growth journey of our organisation.



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

Financial Position as of December 31, 2022

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	
	2022	2021	2022	2021
Property, plant and equipment (net)	705.95	583.58	547.67	433.72
Right-to-use assets	692.40	528.30	539.68	329.74
Intangible assets				
- Goodwill on Consolidation	108.62	97.54	-	-
- Other intangible assets (net)	31.39	39.19	9.11	2.08
Capital work in progress	25.38	-	25.06	-
Total	1,563.74	1,248.61	1,121.52	765.54

ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Property, plant and equipment	330.60	274.12	270.96	186.27
Right-to-use assets	269.12	186.47	247.27	-
Intangible assets				
- Goodwill	-	1.03	-	-
- Other intangible assets	10.60	9.66	9.61	0.09

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

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, 2022, was ₹ 17.43 million as against ₹ 18.90 million as of December 31, 2021.

3. Non-Current Investment

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Investment in subsidiaries	-	-	1,033.81	1,034.28
Other investment	0.03	0.03	0.03	0.03
Total	0.03	0.03	1,033.84	1,034.31

During the year, IBIZ Consultancy Services India Private Limited (IBIZ India), wholly owned subsidiary of the Company, has gone into voluntary liquidation. Being the sole shareholder of IBIZ India, the Company has 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.

Subsequent to the year ended December 31, 2022, the application for approving the voluntary liquidation and dissolution of IBIZ India, along with the Final Report of the liquidator, has been filed with the Hon'ble National Company Law Tribunal, New Delhi.

4. Other Non-Current Financial Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Security deposits	34.96	40.79	27.14	19.74
Margin money deposits	30.20	47.68	5.86	29.04
Interest accrued on bank deposits	0.36	0.10	0.36	0.10
Staff advance	0.05	0.07	0.05	0.07
Total	65.57	88.64	33.41	48.95

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	
	2022	2021	2022	2021
Deferred Tax Assets (net)	219.87	174.08	175.03	132.46

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	
	2022	2021	2022	2021
Income tax assets (net)	53.46	22.59	27.81	10.57
Income tax liability (net)	50.17	65.45	26.39	27.96

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	
	2022	2021	2022	2021
Capital advances	16.07	4.97	8.80	4.97
Prepaid expenses	92.84	7.81	80.29	5.35
Total	108.91	12.78	89.09	10.32

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

8. Current Investments

Current investments as of December 31, 2022, were ₹ 138.65 million as against ₹ 132.25 million as of December 31, 2021, mainly represent the surplus fund invested in Debt Liquid Mutual Fund to optimise the net tax yield based on the treasury management policy.

ANNEXURE 'E' TO THE DIRECTORS' REPORT

9. Trade Receivables

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Trade receivables (gross)	2,636.05	1,798.78	1,228.37	845.20
Less: Allowance for doubtful debts (Expected credit loss allowance)	65.17	19.02	49.67	6.02
Trade receivables (net)	2,570.88	1,779.76	1,178.70	839.18

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	
	2022	2021	2022	2021
Cash and cash equivalents				
Cash on hand	0.89	1.21	0.20	0.55
Balances with scheduled banks	737.32	466.79	714.85	434.91
Balances with other banks	1,324.09	1,575.68	110.65	186.63
Cash and cash equivalents (A)	2,062.30	2,043.68	825.70	622.09
Other bank balances				
Deposit with an original maturity of more than 3 months but less than 12 months	240.34	234.17	2.10	234.17
Balances in unclaimed dividend account	2.56	1.82	2.56	1.82
Other bank balances (B)	242.90	235.99	4.66	235.99
Total Cash and Bank Balance (A+B)	2,305.20	2,279.67	830.36	858.08

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	
	2022	2021	2022	2021
Staff advance	9.30	6.04	2.37	3.18
Recoverable from related parties	-	-	18.17	2.24
Unbilled revenue other than from fixed bid contract	635.51	461.83	503.47	337.83
Securities deposit	10.51	5.91	2.90	4.79
Bank deposits with original maturity of more than 12 months	232.12	337.76	232.12	337.76
Mark-to-market gain on derivative instruments	-	51.81	-	51.81
Interest accrued on bank deposits	1.69	6.89	0.02	6.90
Other	21.95	29.65	0.16	11.43
Total	911.08	899.89	759.21	755.94

Unbilled revenue constitutes amounts that are not billed to customers at year-end, which 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	
	2022	2021	2022	2021
Balances with indirect tax authorities	68.68	36.86	68.68	36.79
VAT recoverable	5.38	2.20	-	-
Unbilled revenue from fixed bid contract	70.86	66.74	10.48	0.12
Prepaid expenses	220.59	150.82	147.97	101.89
Advance to vendors	6.99	9.17	6.33	7.73
Tour and travel advance	3.17	0.33	3.17	0.33
Total	375.67	266.12	236.63	146.86

13. Share Capital

The Company's authorised share capital is ₹ 206 million as of December 31, 2022, and December 31, 2021. The Company's issued, subscribed and paid-up capital as of December 31, 2022, and December 31, 2021, 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

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Reserve and Surplus				
Securities premium account	-	-	-	-
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 {including remeasurement of defined benefit plan (net)}	4,796.37	4,164.18	3,779.16	3,416.65
Other Comprehensive Income				
Foreign currency translation reserve	535.30	315.76	-	-
Total Other Equity	5,336.39	4,484.65	3,783.84	3,421.33

The Company has paid the interim dividend of ₹ 6.5/- per equity share of face value of Re. 1/-each on June 30, 2022.

ANNEXURE 'E' TO THE DIRECTORS' REPORT

15. Non-Controlling Interest

During the year, there is no change in the non-controlling interest in the Consolidated Financial Statement.

16. Borrowings (Non-Current portion)

(₹ in million)

Particulars	2022		2021	
	Consolidated	Standalone	Consolidated	Standalone
Term loans				
- Motor vehicles Loan from non-banking financial company (secured)				
Non-Current Portion	20.44	10.61		
Current Portion	7.21	4.15		
Total Term loan	13.23	6.46		

17. Lease liabilities

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Non-current	666.11	480.83	576.56	345.51
Current	84.69	85.87	13.24	14.40
Total Lease liabilities	750.8	566.7	589.8	359.91

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, 2022, was ₹ 8.76 million as against ₹ 3.45 million as of December 31, 2021.

19. Provisions (Long Term)

Long-term provisions represent the Provision towards the gratuity liability due after 12 months from the reporting date based on actuarial valuation. The Provision amounts to ₹ 207.95 million as of December 31, 2022, as against ₹ 193.98 million as of December 31, 2021.

20. Trade Payables

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Trade Payable	355.87	360.82	67.60	69.78

21. Other Current Financial Liabilities

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Payable to subsidiary company	-	-	54.66	30.03
Security deposits received	9.96	10.78	9.96	10.78
Investor education and protection fund (not due) - Unclaimed dividend	2.56	1.82	2.56	1.82
Employee benefits payable	438.01	323.03	256.26	203.14
Capital creditors	21.97	3.64	21.97	3.64
Contingent consideration for business acquisition	-	49.72	-	-
Advance from Customer	8.65	8.89	0.34	2.47
JSS benefit payable	-	4.67	-	-
Other financial liabilities	9.51	11.40	3.45	3.39
Mark-to-market loss on derivative instruments	98.06	-	98.06	-
Total	588.72	413.95	447.26	255.27

During the year, Group has settled the contingent consideration by paying ₹ 27.46 million and reversed the balance contingent consideration as "Other fair value gain on contingent consideration" under Other Income.

22. Provisions (Short Term)

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Provision for employee benefits				
- Gratuity	24.43	9.69	24.43	9.69
- Compensated absences	279.27	244.26	182.51	148.03
Total	303.70	253.95	206.94	157.72

23. Other Current Liabilities

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Statutory dues payable				
- Tax deducted at source / Withholding tax payable	64.25	38.12	55.21	30.93
- PF / 401 K / other payables	100.81	76.18	35.69	27.50
- GST / Sales tax / VAT payable	33.59	30.14	2.13	4.73
- Others	0.77	0.54	0.76	0.53
Unearned revenues	389.96	306.47	70.60	71.35
Deferred grant from Government	-	-	-	-
Total	589.38	451.45	164.39	135.04

ANNEXURE 'E' TO THE DIRECTORS' REPORT

24. Liquidity

The consolidated cash and cash equivalents as at December 31, 2022 were ₹ 2,062.30 mn. as against ₹ 2,043.68 mn. as on December 31, 2021.

Net cash generated from operating activities was ₹ 963.86 mn for the year ended December 31, 2022 compared to ₹ 873.15 mn. for the year ended December 31, 2021.

Cash used in investing activities was ₹ 213.71 mn. for the year ended December 31, 2022 and mainly comprised of purchase of fixed assets of ₹ 358.96 mn, as offset by proceeds from investment in term deposit with bank ₹ 115.60 mn.

Cash used in financing activities was ₹ 864.00 mn. for the year ended December 31, 2022. Interim Dividend paid during the year was ₹ 768.97 mn.

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, 2022, the total credit balance was nil under fund based line of credit. Further, borrowings as on December 31, 2022, comprises of loan for motor vehicles purchased amounting to ₹ 20.44 mn.

Analysis and Discussions of Operating Performance for the Year Ended December 31, 2022

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:

Particulars	(₹ in million)				
	2022	% of Total Income	2021	% of Total Income	Change %
Income					
Revenue from operations	15,158.31	99.33	11,556.39	96.50	31.17
Other income	102.89	0.67	418.96	3.50	(75.44)
Total income	15,261.20	100.00	11,975.35	100.00	27.44
Expenses					
Employee benefits expense	10,194.05	66.80	7,798.25	65.12	30.72
Finance costs	48.98	0.32	49.12	0.41	(0.29)
Depreciation and amortisation expense	349.78	2.29	276.93	2.31	26.31
Other expenses	2,966.82	19.44	2,150.33	17.96	37.97
Total expenses	13,559.63	88.85	10,274.63	85.80	31.97
Profit before tax	1,701.57	11.15	1,700.72	14.20	0.05
Tax expense	304.76	2.00	286.36	2.39	6.43
Net Profit for the year	1,396.81	9.15	1,414.36	11.81	(1.24)
Other comprehensive income / (loss)	223.89	1.47	(32.19)	(0.27)	(795.53)
Total comprehensive income for the year	1,620.70	10.62	1,382.17	11.54	17.26

Standalone Statement of Profit and Loss for the year:

Particulars	(₹ in million)				
	2022	% of Total Income	2021	% of Total Income	Change %
Income					
Revenue from operations	8,138.90	99.14	5,775.01	92.51	40.93
Other income	70.44	0.86	467.27	7.49	(84.93)
Total income	8,209.34	100.00	6,242.28	100.00	31.51
Expenses					
Employee benefits expense	5,533.61	67.41	3,969.88	63.60	39.39
Finance costs	42.64	0.52	38.26	0.61	11.45
Depreciation and amortisation expense	195.83	2.39	146.49	2.35	33.68
Other expenses	1,096.77	13.37	728.72	11.67	50.51
Total expenses	6,868.85	83.67	4,883.35	78.23	40.66
Profit before tax	1,340.49	16.33	1,358.93	21.77	(1.36)
Tax expense	213.38	2.60	201.46	3.23	5.92
Net Profit for the year	1,127.11	13.73	1,157.47	18.54	(2.62)
Other comprehensive income / (loss)	4.37	0.05	0.71	0.01	515.49
Total comprehensive income for the year	1,131.48	13.79	1,158.18	18.55	(2.31)

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 where there is no uncertainty as to the measurement or collectability of the consideration.

1.1.1 Based on Consolidated Financial Statement

Particulars	(₹ in million)				
	Year ended December 31, 2022	%	Year ended December 31, 2021	%	change %
Information technology services	13,950.02	92.03	10,753.43	93.05	29.73
Business process outsourcing services	1,208.29	7.97	802.96	6.95	50.48
Total	15,158.31	100.00	11,556.39	100.00	31.17

ANNEXURE 'E' TO THE DIRECTORS' REPORT

1.1.2 Based on Standalone Financial Statement

Particulars	Year ended December 31, 2022		Year ended December 31, 2021		change %
	₹	%	₹	%	
Information technology services	6,930.61	85.15	4,947.04	85.66	40.10
Business process outsourcing services	1,208.29	14.85	827.97	14.34	45.93
Total	8,138.90	100.00	5,775.01	100.00	40.93

1.1.3 Consolidated Revenue by Geography

R Systems earns income from five 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:

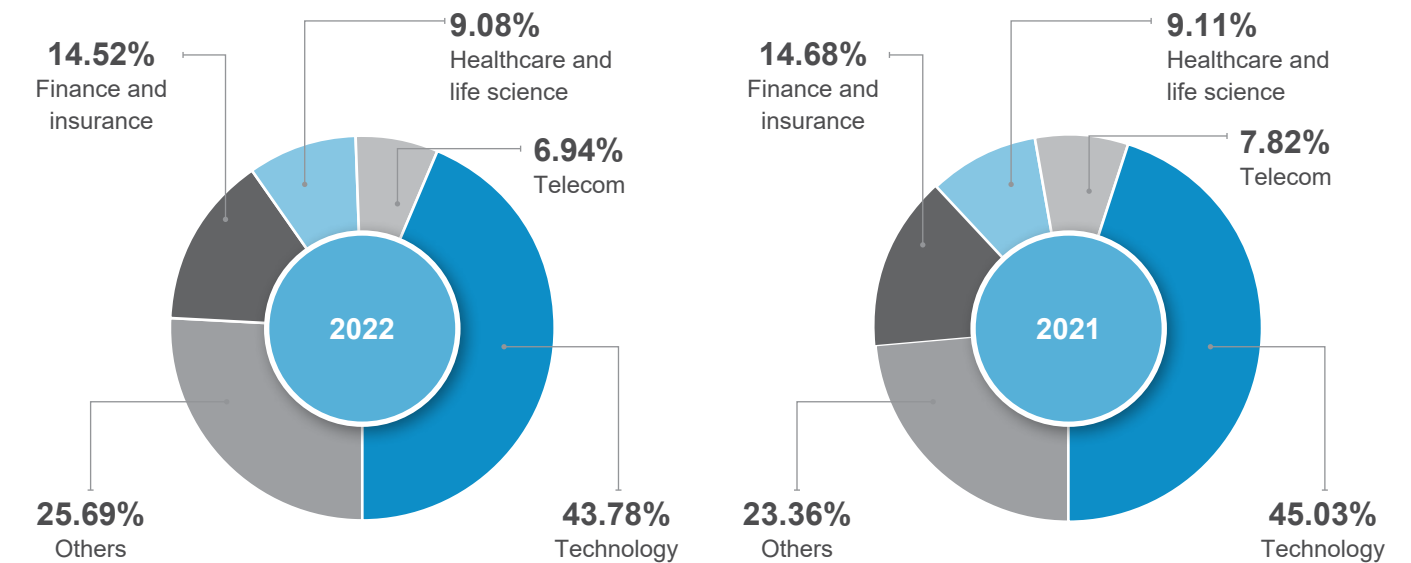
Particulars	Year ended December 31, 2022		Year ended December 31, 2021	
	%	%	%	%
North America	74.20%	68.86%	68.86%	68.86%
Europe	10.39%	13.52%	13.52%	13.52%
SEAC	12.54%	14.55%	14.55%	14.55%
India	1.88%	2.30%	2.30%	2.30%
Others	0.99%	0.77%	0.77%	0.77%
	100.00%	100.00%	100.00%	100.00%

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, 2022, and 2021 is as follows:

Revenue from Top 10 Clients	Year ended	
	December 31, 2022	December 31, 2021
Top 10 Clients	22.81%	24.19%
Top 5 Clients	15.25%	16.44%
Top 3 Clients	11.59%	12.33%
Largest Client	6.66%	7.14%

1.1.5 Consolidated Revenue by Customer industry type



*Graph not to scale

1.2 Other Income

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Interest income	40.45	66.85	34.96	64.29
Dividend From subsidiary companies	-	-	3.40	238.88
Rental income from investment property	6.72	6.72	6.72	6.72
Forgiveness of PPP Loan	-	224.04	-	31.76
Foreign exchange fluctuation (net)	-	87.54	-	96.39
Lease rent concession	7.47	15.11	7.10	13.12
Other fair value gain on contingent consideration	25.79	-	-	-
Net gain arising on financial assets measured at FVTPL	6.40	4.23	6.40	4.23
Reversal of Provision for diminishing value of investments	-	-	-	10.78
Other miscellaneous income	16.06	14.47	11.86	1.10
Total Other Income	102.89	418.96	70.44	467.27

ANNEXURE 'E' TO THE DIRECTORS' REPORT

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	2022		2021		Change %
	2022	% of Total Income	2021	% of Total Income	
Salaries, wages and bonus	9,408.89	61.65	7,202.06	60.14	30.64
Gratuity expenses	49.00	0.32	39.48	0.33	24.10
Contribution to provident and other funds	478.19	3.13	363.44	3.03	31.57
Staff welfare expenses	257.97	1.69	193.27	1.61	33.48
Total	10,194.05	66.80	7,798.25	65.12	30.72

2.1.2 Based on Standalone Financial Statement

(₹ in million)

Particulars	2022		2021		Change %
	2022	% of Total Income	2021	% of Total Income	
Salaries, wages and bonus	5,174.12	63.03	3,714.72	59.51	39.29
Gratuity expenses	49.00	0.60	39.48	0.63	24.11
Contribution to provident and other funds	192.84	2.35	136.96	2.19	40.80
Staff welfare expenses	117.65	1.43	78.72	1.26	49.45
Total	5,533.61	67.41	3,969.88	63.60	39.39

2.2 Finance cost (Interest expenses)

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
On term loan	1.16	1.47	1.16	0.73
On lease liabilities	46.80	40.95	41.40	35.48
On fair value of contingent consideration	0.77	4.65	-	-
On income tax	0.25	2.05	0.08	2.05
Total	48.98	49.12	42.64	38.26

2.3 Depreciation and Amortisation Expense

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Depreciation of property, plant and equipment	216.05	153.48	155.23	108.05
Depreciation on right-of-use assets	111.01	102.00	36.56	35.00
Depreciation of investment property	1.47	1.47	1.47	1.47
Amortisation of intangible assets	21.25	19.98	2.57	1.97
Total Depreciation and Amortisation	349.78	276.93	195.83	146.49
% of Total income	2.29	2.31	2.39	2.35

2.4 Operational and other expenses

Operational and other expenses include power and fuel, expenses on travelling and conveyance, software subscription charges, short term lease rent, commission, communication, legal and professional expenses including sub-contractors costs, cost of third party items, audit fees, 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	2022		2021		Change %
	2022	% of Total Income	2021	% of Total Income	
Power and fuel	52.59	0.34	41.02	0.34	28.21
Rent - premises	62.08	0.41	50.84	0.42	22.11
Software subscription charges	174.75	1.15	128.45	1.07	36.05
Repair and maintenance	72.35	0.47	50.94	0.43	42.03
Commission	7.64	0.05	17.52	0.15	(56.39)
Travelling and conveyance	201.89	1.32	102.57	0.86	96.83
Communication costs	129.61	0.85	102.90	0.86	25.95
Legal and professional fees (including subcontracting expenses)	1,495.80	9.78	1,100.65	9.19	35.61
Cost of third party items	267.83	1.75	245.79	2.05	8.97
Auditors' remuneration	24.66	0.18	24.26	0.20	14.95
Provision for doubtful debts (net)	51.87	0.34	-	-	-
Contribution towards corporate social responsibility	17.60	0.12	11.49	0.10	53.17
Foreign exchange fluctuation (net)	79.47	0.52	-	-	-
Miscellaneous expenses	328.68	2.15	273.90	2.29	20.00
Total	2,966.82	19.44	2,150.33	17.96	37.97

ANNEXURE 'E' TO THE DIRECTORS' REPORT

2.4.2 Based on Standalone Financial Statement:

(₹ in million)

Particulars	2022	% of Total Income	2021	% of Total Income	Change %
	Power and fuel	33.35	0.41	26.58	0.43
Rent – premises	30.76	0.37	24.25	0.39	26.85
Software subscription charges	138.62	1.69	105.68	1.69	31.17
Repair and maintenance	53.45	0.65	37.95	0.61	40.81
Commission	7.62	0.09	17.52	0.28	(56.51)
Travelling and conveyance	128.32	1.56	64.51	1.03	98.91
Communication costs	95.05	1.16	71.63	1.15	32.71
Legal and professional fees (including subcontracting expenses)	302.15	3.68	218.57	3.50	38.24
Auditors' remuneration	6.30	0.08	6.10	0.10	3.28
Provision for doubtful debts (net)	46.72	0.57	-	-	-
Contribution towards corporate social responsibility	17.60	0.21	11.49	0.18	53.17
Foreign exchange fluctuation (net)	47.77	0.58	-	-	-
Miscellaneous expenses	189.06	2.30	144.44	2.32	30.89
Total	1,096.77	13.36	728.72	11.67	50.51

2.5 Tax Expense

Tax expense comprises current tax and deferred tax

(₹ in million)

Particulars	Consolidated		Standalone	
	2022	2021	2022	2021
Profit Before Tax	1,701.57	1,700.72	1,340.49	1,358.93
Current tax	387.19	327.63	296.55	245.27
Deferred tax credit	(82.43)	(41.27)	(83.17)	(43.81)
Total Tax Expense	304.76	286.36	213.38	201.46
Effective Tax Rate (%)	17.91	16.84	15.92	14.82

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:

(₹ in million)

Particulars	Consolidated			Standalone		
	2022	2021	Variance	2022	2021	Variance
Debtors Turnover (in days)	52	48	7.3%	45	47	-4.8%
Inventory Turnover	NA	NA		NA	NA	
Interest Coverage*	33.64	27.09	24.2%	30.79	24.31	26.7%
Current Ratio	3.18	3.28	-2.8%	3.37	4.12	-18.1%
Debt Equity Ratio [@]	0.14	0.13	12.73%	0.16	0.10	49.4%
Operating Profit Margin	10.9%	11.5%	-5.6%	16.1%	16.1%	0.2%
Net Profit Margin [#]	9.2%	12.2%	-24.7%	13.8%	20.0%	-30.9%
Return on Net worth	27.8%	31.9%	-12.9%	30.7%	35.7%	-14.1%

* Interest coverage ratio has increased mainly due to higher profits from operations, keeping the Interest cost almost same.

[@] Debt equity ratio has increased mainly due to increase in lease liabilities due to new office premises taken on lease.

[#] Decrease in consolidated net profit margins, in last year there was one-time income due to forgiveness of the PPP loan under USA operations whereas in standalone accounts, it was 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.

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 Company	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 id	Investors@rsystems.com
7.	Telephone	+91 (120) 4303500
8.	Website	www.rsystems.com
9.	Financial year for which reporting is being done	January 01, 2022 – December 31, 2022
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 (INR)	₹ 118,303,445 divided into 118,303,445 Equity Shares of ₹ 1/- each.
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name	Dr. Satinder Singh Rekhi
	Designation	Managing Director & Chief Executive Officer
	Telephone number	+91 (120) 4303500
	E-mail id	rsil@rsystems.com
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 has been made on standalone basis.

II. PRODUCTS / SERVICES

14. 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%

15. 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	85.15%
2.	Business process outsourcing services	620	14.85%

III. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	NA	3	3
International	NA	1	1

Note: R Systems International Limited maintains seventeen development and service centres to serve customers in North America, Europe, and APAC through its subsidiaries.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	National Market
International (No. of Countries)	20

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

Exports contributes 96.58% of the total turnover of the entity on standalone basis.

c. A brief on types of customers

R Systems rapidly growing customer list includes a variety of Fortune 1000, government and mid-sized organizations across a wide range of industry verticals including Independent Software Vendors, Telecom, Healthcare & Life Science, Finance & Insurance and Retail & e-commerce.

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	3,260	2,613	80%	647	20%
2.	Other than Permanent (E)	30	24	80%	6	20%
3.	Total employees (D + E)	3,290	2,637	80%	653	20%

Note:

1. The Company workforce is categorized as 'Employees' and none as 'Workers'. Hence in all the sections, details sought of the 'Workers' category are Not Applicable to the Company.

2. Other than Permanent category includes third party consultants.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	4	3	75%	1	25%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	4	3	75%	1	25%

ANNEXURE 'F' TO THE DIRECTORS' REPORT

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel	2	0	0%

20. Turnover rate for permanent employees and workers

At R Systems, we follow industry best human resource practices such as PCMM level 5 to attract, develop, deploy and retain talent. The Company provides such opportunities, benefits and programmes that motivates and develop the potential of our employees which helps us to retain the best talent in the industry. The turnover rate of the Company is at par with the Indian IT sector turnover rate.

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) 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.	R Systems, Inc.,	Subsidiary	100%	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 Technologies Ltd.	Subsidiary	100%	
3.	RSYS Technologies Limited	Subsidiary	100%	
4.	R Systems Consulting Services Limited	Subsidiary	99.75%	
5.	R Systems Consulting Services (M) Sdn. Bhd. [#]	Subsidiary	99.75%	
6.	R Systems Consulting Services (HongKong) Limited [#]	Subsidiary	99.75%	
7.	R Systems Consulting Services (Thailand) Co. Ltd. [#]	Subsidiary	99.75%	
8.	R Systems Consulting Services Kabushiki Kaisha [#]	Subsidiary	99.75%	
9.	R Systems Consulting Services (Shanghai) Co., Ltd. [#]	Subsidiary	99.75%	
10.	R Systems Consulting Services Company Limited [#]	Subsidiary	99.75%	
11.	R Systems Computaris International Limited	Subsidiary	100%	
12.	R Systems Computaris S.R.L. [@]	Subsidiary	100%	
13.	R Systems Computaris Malaysia Sdn. Bhd. [@]	Subsidiary	100%	
14.	R Systems Computaris Poland Sp. Z o.o. [@]	Subsidiary	100%	
15.	R Systems Computaris Europe S.R.L. [@]	Subsidiary	100%	

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)
16	R Systems Computaris Philippines Pte. Ltd. Inc. [@]	Subsidiary	100%	
17	R Systems Computaris Suisse Sàrl [@]	Subsidiary	100%	
18	R Systems (Singapore) Pte. Ltd.	Subsidiary	100%	
19	R Systems IBIZCS Pte. Ltd.*	Subsidiary	100%	
20	IBIZ Consulting Services Pte Ltd. [^]	Subsidiary	100%	
21	R Systems IBIZCS Sdn. Bhd. [^]	Subsidiary	100%	
22	PT RSystems IBIZCS International [^]	Subsidiary	100%	
23	IBIZ Consulting Services Limited [^]	Subsidiary	100%	
24	IBIZ Consulting Services (Shanghai) Co., Ltd. [%]	Subsidiary	100%	
25	IBIZ Consulting (Thailand) Co. Ltd. [^]	Subsidiary	100%	
26	IBIZ Consultancy Services India Private Limited [§]	Subsidiary	100%	

[#] wholly owned subsidiaries of R Systems Consulting Services Limited, Singapore being 99.75% subsidiary of R Systems International Limited (The shareholding held by R Systems International Limited and R Systems (Singapore) Pte. Limited is 69.37% and 30.38%, respectively).

[@] wholly owned subsidiaries of R Systems Computaris International Limited being 100% subsidiary of R Systems International Limited.

^{*} wholly owned subsidiary of R Systems (Singapore) Pte Limited being 100% subsidiary of R Systems International Limited.

[^] wholly owned subsidiaries of R Systems IBIZCS Pte. Ltd. being 100% Subsidiary of R Systems (Singapore) Pte. Limited.

[%] wholly owned subsidiary of IBIZ Consulting Services Limited - Hong Kong being 100% Subsidiary of R Systems IBIZCS Pte. Ltd.

[§] During the year under review, IBIZ Consultancy Services India Private Limited, wholly owned subsidiary of 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. Subsequent to the year ended December 31, 2022, the petition for approving the voluntary liquidation has been filed with the Hon'ble National Company Law Tribunal, New Delhi.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹) 8,138.90 Million (for the year ended December 31, 2022).
- (iii) Net worth (in ₹) 3,897.47 Million (for the year ended December 31, 2022).

ANNEXURE 'F' TO THE DIRECTORS' REPORT

VII TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. 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 2022 Current Financial Year			FY 2021 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*	-	-	-	-	-	-
Investors (other than shareholders)	Yes**	-	-	-	-	-	-
Shareholders	Yes**	17	Nil	Nil	1	Nil	Nil
Employees and workers	Yes***	-	-	-	1	Nil	Nil
Customers	Yes****	-	-	-	-	-	-
Value Chain Partners	Yes****	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

* There are several mechanisms in place to receive and address grievances from the community such as access to e-mail ID of the Company, Audit Committee Chairman, Company Secretary & Compliance Officer, Website, and the offices of the Company. We are 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.

** Board has constituted Stakeholders' Relationship Committee with adequate delegation of powers to focus effectively on issues and ensure expedient resolution of Shareholders Complaint. The Stakeholders' Relationship Committee deals with all the grievances and complaints of the Investors and Shareholders. In addition to this investor / shareholders can contact the Company Secretary & Compliance Officer through his email id and contact number, which are updated on the website of the company. The Company also has a dedicated Email Id i.e. investors@rsystems.com where Investor/ Shareholders can send their concerns/complaints. Shareholders also have the recourse to each out to the Registrar and Transfer Agent (RTA) of the Company and can also register their complaints or concerns with SEBI Complaints Redressal Mechanism i.e., SCORES Portal.

*** The details of grievance redressal mechanism for employees and workers are provided in Principle 3, point No. 6.

**** The details of grievance redressal mechanism for customers are provided in Principle 9, point No. 1.

***** Complaints / Grievances from Value Chain Partners are addressed by relevant Departments on a case-to-case basis.

24. 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 Issue 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	Talent Management Acquisition & Retention	Risk	Risk of failure in any of the elements of talent management can impact R Systems ability to grow and provide services to its customers.	At R Systems, we follow industry best human resource practices such as PCMM level 5 to attract, develop, deploy and retain talent.	Negative
2.	Training & Skill Development and Health & Wellness of employees	Opportunity	Employees are our biggest strengths and the ever-evolving technology requires employees with right skills and regular trainings.	At R Systems, we follow industry best human resource practices to develop, deploy talent. The Company arranges several technical and personality development trainings for employees to upskill and make them be ready for any challenge they face.	Positive
		Risk	Adverse Health and Wellness condition directly impacts on the health and morale of the employees besides productivity impact.	In addition to offer the ambient and safe working condition, the Company conducts various health and safety awareness campaigns and other activities to keep its employees healthy and motivated.	Negative
3.	Environmental Sustainability	Risk	In view of Global Warming, environmental sustainability has become very crucial for all businesses.	The Company endeavors prevents pollution, reduces waste and minimizes the consumption of resources. We comply with applicable legal requirements which relate to our environmental aspects. We encourage environmental protection among employees and suppliers.	Negative
4.	Data Privacy & Cyber Security		Instances of cyber-attacks and data breaches has been increasing and this puts the customer data privacy and business continuity at risk. Inadequate detection, remediation of data security threats can damage the company's reputation and thus influence customer and employees preferences/trust to protect the sensitive data/information.	We have enhanced the proactive monitoring mechanism of any new vulnerabilities and threats. We have implemented multiple control to ensure data security including awareness and training programs for employees. R Systems has established, documented and implemented Information Security Management Systems (ISMS) and strive to continually improve its effectiveness in accordance with requirements of ISO 27001:2013.	Negative

Note: Please also refer the Risk Management Report which forms Part of the Annual Report.

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.

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business, released by the Ministry of Corporate Affairs, has adopted following areas of Business Responsibility:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the wellbeing of all employees.
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Business should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
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. https://www.rsystems.com/investors-info/corporate-governance/ and all other policies are displayed on our intranet.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) 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, SOC2 compliant, HIPAA Compliant.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> Foster gender diverse workforce with 25% Female employees by 2025. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> Planting 1,000 trees annually. 								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership and oversight									
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) - Sustainability principles are integrated in the Corporate Policies of the Company are implemented by Management at all levels in day-to-day business operations. As much as we are passionate about severing our clients, we are committed about giving back to the society. Our Corporate Social Responsibility work has been our way to reach out to communities, understand their needs and be an active corporate citizen. The Company has engaged in activities whereby we contributes to make a positive and distinguishing impact on the environment, customers, employees and other stakeholders. Our collective efforts have directed the improvement on various parameters of the Sustainability development. We strive to take forward our ESG Framework by understanding expectations and ways to incorporate the ESG norms deeper into our practices.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Dr. Satinder Singh Rekhi Designation: Managing Director & Chief Executive Officer DIN: 0006955								
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 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.								

*Adherence to R Systems' policy requirements such as Code of Conduct for Suppliers is included in the agreements with the Vendors.

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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	The frequency of review is annual.							
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.	Y	Y	Y	Y	Y	Y	Y	Y	Y	The frequency of review is quarterly.								

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. Yes.

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)	-----Not Applicable-----								

ANNEXURE 'F' TO THE DIRECTORS' REPORT

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

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.

We have the Whistle Blower policy in place for all employees to report concerns about unethical behavior, actual or suspected fraud, violation of the Code of Conduct of the Company. The policy also provides for adequate protections against victimization of employees who avail the mechanism and provides for direct access to the Whistle Blower to the Chairperson of the Audit Committee.

Essential Indicators

- 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	1	Training on National Guidelines on Responsible Business Conduct	100%
Key Managerial Personnel	3	Leadership Programs	60%
Employees other than BoD and KMPs	18	Induction training, Business Ethics, Workplace Conduct, Fraud, Bribery & Corruption, Conflict of Interest, Leadership, POSH, Information and Security Management, Data Privacy	93%

- 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):

No fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings either by the entity or by directors / KMPs.

- 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.

Not applicable.

- 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, R Systems has an anti-bribery and anti-corruption policy which applies to all the individuals working at all the levels and grades and provides a detailed guidance on the business ethics, values, policies and procedures to prevent corruption and bribery in all the activities and business dealings of R Systems. It sets forth the policy of zero tolerance of bribery applicable to the organization and its subsidiaries. The policy is available on the Company website at <https://www.rsystems.com/investors-info/corporate-governance/>

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

No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against any of the Directors / KMPs/ Employees.

- Details of complaints with regard to conflict of interest:

No complaint was received with regard to conflict of interest of the Directors, KMPs or any other employee.

- 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

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

We have adequate procedures in place for procuring goods and services sustainably by means of our purchase policy that covers numerous aspects of sustainable sourcing such as value for money, price, quality, availability, functionality, environmental, governance and social aspects.

Essential Indicators

- 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.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	NA	NA	NA

The Company provides technical services and is not in business of producing/manufacturing any product with major environmental impact. However, R Systems is committed to protect the environment and related resources.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 - If yes, what percentage of inputs were sourced sustainably?

The Company is in the business of IT and IT enabled services, therefore, consumption of resources is limited to running its operations. As part of the onboarding process for suppliers, we require Vendors to ensure the Compliance with Sustainable Sourcing Policy of the Company which requires that:

- Suppliers will comply with applicable environmental laws and shall operate their business in a sustainable way.
- Suppliers will provide a safe and healthy workplace for their employees, including appropriate controls, training, work procedures and personal protective equipment. Suppliers will comply with all health and safety laws that are applicable to the workplace.
- Respect fundamental human rights, including worker representation;
- Prohibition on use of forced, bonded or child labour;
- Maintain a safe working environment

- 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.

The Company is not into production of any product/material and hence this information is not relevant considering the nature of the business. The Company strictly follows procedures of disposal/re-cycling of e-waste through authorised e-waste vendors.

Re-usable cutlery is used at the cafeteria in the corporate office which houses the maximum number of employees of the Company to promote sustainability.

ANNEXURE 'F' TO THE DIRECTORS' REPORT

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.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Our employees are our true assets, who at various organizational levels strive to provide high end services and perform complex projects for our clients. We, at R Systems follow industry best human resource practices such as PCMM level 5 to attract, develop, deploy, and retain talent. We are dedicated to innovate unique programmes that would keep our employees motivated, develop their potential, and inculcate leadership attributes to retain the best talent in the industry.

R Systems being a CMMI Level 5 (Ver. 1.3) and PCMM Level 5 company has put in practice well documented and defined policy on Succession Planning which occurs at least on an annual basis during annual performance appraisal cycle. We conduct rigorous training programs for our entry level employees to train and develop the next generation of managers and leaders. We deploy modern HR practices by offering competitive and attractive compensation and benefit packages and exciting work environment to attract and retain talent. Further, we try to mitigate the impact of attrition in the continuity of services to the clients by using our proprietary processes and methodologies that allows our project teams to impeccably coordinate on projects.

We conduct regular employee satisfaction surveys to get employee feedback as well as constantly validate key employee data with industry and peer group business.

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)
Permanent employees											
Male	2,613	2,613	100%	2,613	100%	NA	NA	NA	NA	NA	NA
Female	647	647	100%	647	100%	647	100%	NA	NA	NA	NA
Total	3,260	3,260	100%	3,260	100%	647	100%	NA	NA	NA	NA
Other than Permanent employees											
Male	24	24	100%	20	83%	NA	NA	NA	NA	NA	NA
Female	6	5	83%	5	83%	NA	NA	NA	NA	NA	NA
Total	30	29	97%	25	83%	NA	NA	NA	NA	NA	NA

*Day care facilities were not operational during the financial year 2022, due to work from home policy.

- b. Details of measures for the well-being of workers:

Not Applicable

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022			FY 2021		
	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%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	1.50%	NA	Y	1.50%	NA	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 offices/ premises are largely accessible with elevators and ramps for persons with disabilities.

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, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The equal opportunity policy is available on the website of the Company at the following link: <https://www.rsystems.com/investors-info/corporate-governance/>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees	
	Return to work rate	Retention rate
Male	Not Applicable	Not Applicable
Female	100%	100%
Total	100%	100%

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	The Company seeks to nurture a quality work environment for all employees – one that encourages a high level of individual and team contribution in support of organizational goals. There is a complaint/ grievances redressal mechanism in place to address all questions, concerns and problems of employees.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	The Company is committed to provide an environment free from sexual harassment, any form of discrimination based on gender. Management has constituted an Internal Complaints Committee (ICC) to deal with complaints in the nature of Sexual Harassment of Women Employees. Any employee having a grievance related to Sexual Harassment may file a complaint with the Head of HR, or with the President and / 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. The Email id of Internal Complaints Committee is ICC@rsystems.com .
	Any 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 to the Chairman of the Audit Committee. i.e. Chairman.AuditCommittee@rsystems.com

ANNEXURE 'F' TO THE DIRECTORS' REPORT

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

The Company does not have any employee association.

8. Details of training given to employees:

Category	FY 2022				FY 2021					
	Total (A)	On Health and safety measures*		On Skill upgradation**		Total (D)	On Health and safety measures*		On Skill upgradation**	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2,637	2,468	93.59%	2,626	99.58%	2,516	2,241	89.08%	2,504	99.52%
Female	653	647	99.08%	653	100.00%	476	462	96.96%	476	100.00%
Total	3,290	3,115	94.68%	3,279	99.67%	2,992	2,703	90.34%	2,980	99.59%

* The Company conducts various health and safety awareness campaigns via a multi-pronged framework. These include COVID-19 safety SOPs, webinars by Doctors, webinars on physical and mental wellness etc.

** The Company's skill upgradation programme consists of induction, domain specific and behavioural training courses and programs.

9. Details of performance and Career development reviews of employees:

100% of eligible employees have received performance and career development reviews.

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?

The Company has policies/procedures through which the safety of employees and company property is ensured. This includes procedures maintenance of support utilities, periodical checks on electric and fire safety equipments.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Not directly applicable, given the nature of the business of the Company. However, the Company encourages counselling and reporting through various channels available to employees.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

All health & safety related concerns can be raised through the defined channels available to all employees.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all permanent employees of the Company have access to non-occupational medical and healthcare services. The below policies have been formulated for the betterment of all employees:

- Group Personal Accident Policy
- Medclaim Insurance Policy
- Group Term Life Insurance Policy

The Company regularly conducts health awareness sessions for employees and has also been provided access to a tele-Medical consulting application to all the members.

11. Details of safety related incidents, in the following format:

No recordable safety related incidents took place during the Year 2022.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company provides a systematic way to ensure a safe and healthy workplace for all employees and third-party employees who work on our premises. CCTV cameras have been installed in the premises with due regard to the privacy of the employees. Security checks are done at entry points of the premises of the Company.

Electrical Preventive Maintenance of major equipment is done periodically to ensure conformance with safety standards. Thermography Inspections are carried out along with subject expert external agencies as and when required and corrective measures are taken in case on any observations.

13. Number of Complaints on the following made by employees and workers:

The Company offers safe and hygienic work spaces with ambient condition. No complaints from employees have been received for the year 2022.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No assessment has been done by statutory authorities or third parties. The Company internally does the assessment of health and safety practices and working conditions.
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

There were no safety-related incidents during the year. The Company focuses on the wellness and safety of our employees through programs like stress management, health talks including telehealth app services. All the action points emerging from the Thermographic test have been corrected.

ANNEXURE 'F' TO THE DIRECTORS' REPORT

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

R Systems acknowledges its responsibility towards the society and supports inclusive growth and equitable development of all its stakeholders. We strongly believe in growing together responsibly leading to success of our business.

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.

Key stakeholders are identified in consultation with the Company's management to prioritize key stakeholders based on relevance, role, and influence. We aim at balancing the needs and address the concerns of our stakeholders and endeavor to take into the consideration of the impact it has on the environment, society, and the community.

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

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
Customers	No	Customer Meetings, Customer Feedback, Website, Webinars	Ongoing	Customer Satisfaction, Pricing and quality of services
Employees	No	Notice Boards, Website, Intranet, email communications, Employee Survey feedback, Annual Performance Review, Meetings, Trainings	Ongoing	Professional development, Working condition, employee performance, Employee Satisfaction, Work-life balance and Company culture.
Community, NGOs	Yes	Corporate Social Responsibility engagements, interaction with the beneficiaries, Implementing partners	Ongoing	Welfare of the Community
Investors, Shareholders & Analysts	No	AGM, Investor meets, Investor Grievance redressal mechanism	Ongoing	Updation on Business Strategies and Performance of the Company and Redressal of Grievances
Regulatory Bodies	No	Compliance Reports, Email, personal meetings, calls etc.	Ongoing	Compliance with the law of the land

PRINCIPLE 5 Businesses should respect and promote human rights

Respect for Human Rights is a core value of our Company. R Systems has a Human Rights Policy, which outlines our commitment towards Human Rights. In addition to ensuring compliance with the applicable laws, this demonstrates R Systems' commitment to transparent business practices and commitment to protection of workers' rights. We are keen on respecting the human rights of our employees, communities and those affected by our operations. We intend to encourage a healthy and friendly working environment irrespective of gender, caste, creed, or social class of the employees. We are dedicated to value, respect and protect the dignity of every individual and hence always endeavor for providing a better and safe environment at all our work places.

We also expect all our employees, consultants, independent contractors and suppliers to observe the human rights principles.

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	Year 2022			Year 2021		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3,260	2,990	91.71%	2,936	2,501	85.18%
Other than permanent	30	27	90.87%	56	48	85.18%
Total Employees	3,290	3,017	91.70%	2,992	2,549	85.18%

- Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2022				Total (D)	FY 2021			
		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)
Employees										
Permanent										
Male	2,594	-	-	2,594	100%	2,448	-	-	2,448	100%
Female	644	-	-	644	100%	460	-	-	460	100%
Other than Permanent										
Male	24	-	-	24	100%	44	-	-	44	100%
Female	6	-	-	6	100%	12	-	-	12	100%
Total Employees	3,268	-	-	3,268	100%	2,964	-	-	2,964	100%

Note: Data specific to India

- Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors * (BoD)	3	14,409,928	-	-
Key Managerial Personnel	2	7,233,966	-	-
Employees other than BoD and KMP	3,401	1,525,443	812	992,784

*Includes the Managing Director and Whole Time Directors who are also the Key Managerial Personnel of the Company.

ANNEXURE 'F' TO THE DIRECTORS' REPORT

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. The Head of Human Resource Department is the focal point for addressing any human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company believes that every workplace shall be free from violence, harassment, discrimination, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, the Company has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. Please also refer to the point 6 of Principle 3 for Mechanism of dealing with cases of Sexual Harassment.

6. Number of Complaints on the following made by employees and workers:

	FY 2022			FY 2021		
	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	-	-	-	1	0	Complaint was resolved during the year
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The Company has strict guidelines for preventing sexual harassment. POSH training is conducted regularly.

Employees are advised to submit a complaint narrating the true sequence of the events leading to the violation along with any supporting evidence. Concerns may be reported with due confidentiality. Privacy during Committee meetings is ensured to maintain confidentiality. The identity of the reporting Employee or Individual is maintained confidential to the maximum extent as consistent with the Company's legal obligations but subject to the Company's need to investigate reported violations.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Human rights requirements form a part of the Company's business agreements and contracts as and where relevant.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company internally monitors compliance for all relevant laws and policies pertaining to these issues. There have been no observations by statutory authorities in India in FY 2022.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

R Systems recognize that protecting and preserving the environment is essential to achieving sustainable development and ensuring a better world for all today and for future generations. We have a formally documented the environment policy applicable to our Company and its foreign subsidiaries (to the extent to the applicable laws in their respective Countries) through which we assess factors related to the potential environment risks on an ongoing basis.

Being in the business of IT and IT enabled services, we do not cause any major adverse effect on the environment and always endeavor to improve our processes and operations regarding energy, emissions, water, and waste management.

The Company has engaged an agency for air quality monitoring, ambient noise monitoring, stack emission analysis, drinking water analysis and waste water analysis.

With the help of Green Yatra, the Company has planted and maintaining about 800 local native species of plants to prevent the air pollution and endeavored to spread awareness about Environment among its employees.

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 equipments. The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localized areas.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Year 2022	Year 2021
Total electricity consumption (A)	8,654.00 GJ	7,466.40 GJ
Total fuel consumption (B)	1,761.71 GJ	1,194.30 GJ
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	10,415.71 GJ	8,660.70 GJ
Energy intensity per rupee of turnover (<i>Total energy consumption/ turnover in rupees</i>)	12.80 GJ/Crores of Turnover	15.00 GJ/Crores of Turnover
Energy intensity (<i>optional</i>) – the relevant metric may be selected by the entity		

Note:

- Increase in energy consumption is due to increase in number of employees working from office.
- 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 2022	FY 2021
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	6,783 KL	5,000 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	6,783 KL	5,000 KL
Total volume of water consumption (in kilolitres)	6,783 KL	5,000 KL
Water intensity per rupee of turnover (Water consumed / turnover)	8.33 KL / Crores of Turnover	8.66 KL / Crores of Turnover
Water intensity (optional) – the relevant metric may be selected by the entity		

Note:

1. Increase in water consumption is due to increase in number of employees working from office.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not applicable.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022	FY 2021
NOx	gm/kw-hr	0.33	0.33
SOx	gm/kw-hr	0.06	0.06
Particulate matter(PM)	gm/kw-hr	0.12	0.11
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note:

1. Increase in air emission is due to increase in number of employees working from office.
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.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022	FY 2021
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	535.86	416.86
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,911.88	1,607.84
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ Equivalent / Crores of Turnover	3.01	3.51
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: 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.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company being a software development Company, the impact on the environment as a result of our business operations is minimal. However, The Company has taken many energy initiatives such as:

- Installation of LED lights & power saving equipment at all locations to reduce the electricity consumption.
- The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localized areas.
- Endeavoring to convert its Diesel generators to Gas based generators.
- Vehicles of the Company used for transportation are emission tested by Government, from time to time.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022	FY 2021
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.33	0.05
E-waste (B)	7.91	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	1.87	4.78
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- Used Oil (DG Black Oil)	0.30	-
Other Non-hazardous waste generated (H). Please specify, if any. (Iron, Paper, Cardboard, Aluminium, Wood etc.)	4.49	-
Total (A+B + C + D + E + F + G + H)	14.90	4.83
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		All Material sent to recyclers / Composters through authorized collectors.
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

ANNEXURE 'F' TO THE DIRECTORS' REPORT

9. 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, hence, these services do not use any material hazardous or toxic chemicals in any of its processes.

R Systems' ISO 27001:2013 certified E-Waste management policy reaffirms R Systems' commitment to environmental protection by ensuring proper E-Waste management. E-Waste in this context refers to electronic waste produced by electrical and electronic equipments.

RO waste water has been reused for several purposes in the Company. The Company follows guidelines of Re-cycling of E-waste and hazardous waste items and equipments through authorised agencies. We always strive to improve our processes and operations regarding waste management.

10. 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:

None of our offices are in/around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The operations of the company are not covered by the 2006 notification on Environmental Impact Assessment.

12. 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:

Yes, the company is compliant with all applicable environmental laws / regulations / guidelines in India.

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/ associations.
2 (Two)
- 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 & SEZs	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse orders received in the last two financial year.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Through our Corporate Social Responsibility (CSR) Policy, we strive to provide equitable opportunities for sustainable growth and improve the welfare of society and stakeholders. Our CSR programmes and other projects are managed by our in-house CSR team with the help of external agencies/NGOs. Our CSR team follows-up with the beneficiaries of our initiatives both in formal and informal ways, with involvement of our Senior Management at personal levels and also by way of field visits, telephonic and email communications on a continual basis.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

SIA is not undertaken by the entity as it is not applicable.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable.

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 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 an organization which maximizes Stakeholder Value. Our CSR team is connected with the ground level realities of our inclusion projects in a direct way, with involvement of our Senior Management at personal levels, 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.

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. We also endeavor to interact with the local/ MSME suppliers, vendors, as and when required, to assist them on improving their capabilities, quality etc.

ANNEXURE 'F' TO THE DIRECTORS' REPORT

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Customer satisfaction is of prime significance to our company. We continuously enhance our competencies around latest technologies to deliver state of art services and solution for our customers. We interact with our clients on a regular basis and across multiple platforms to capture customer feedback on various parameters to improving internal processes based on the needs and expectations of the customers. One such way is by conducting Customer Satisfaction Survey every year to measure the level of satisfaction of our customers which then helps us to continuously improve our services to customers worldwide.

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
Customers have various channels for raising grievances through account managers, client engagement managers. Escalation mechanisms are defined in individual client contracts and corrective action of Grievance are taken as per R Systems Quality Policies. Customer feedbacks are continuously sought through emails/phone calls/physical visits. Through this, customer issues or concerns with existing service as well as future requirements from a change perspective are received. Apart from that customer feedbacks are also received through Customer Satisfaction Survey initiated annually. We also have a 'Contact Us' section on the website, where we can receive feedback or requests for responses. The Company takes necessary corrective actions arising out of customer feedback analysis.
- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:
This is not relevant considering the nature of the business of the Company.
- Number of consumer complaints in respect of the data privacy, Cyber security, delivery of essential services, unfair trade practices, advertising and/or anti-competitive practice in last two years.:
No such complaint from customers was received during the last 2 years.
- Details of instances of product recalls on account of safety issues:
This is not relevant considering the nature of the business of the Company.
- 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.
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.

We also have various quality certification related to cyber security and data privacy like ISO 27001:2013, HIPAA, SOC2. The company has data privacy policy available <https://www.rsystems.com/privacy/>.

We acknowledge the needs of the client in protecting their personal and confidential data during their dealing with us. We have multi-level security implemented to sustain the IT compliance. R Systems Privacy Policy strives to protect its own data and client's intellectual property and provide seamless services. We accomplish this by addressing the following objectives:

- Maintaining the confidentiality, integrity, and availability of sensitive information in the Company with minimal to no disruptions.
 - Proactively initiating business continuity practices to minimize the system failures and interruptions to business.
- 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.

No regulatory action has been taken regarding advertising, essential services, cyber security, data privacy or product recalls during the last year.

On behalf of the Board For R Systems International Limited

Dr. Satinder Singh Rekhi
(DIN: 00006955)
(Managing Director & Chief Executive Officer)

Place: NOIDA
Date: February 13, 2023

Lt. Gen. Baldev Singh (Retd.)
(DIN: 00006966)
(President & Senior Executive Director)

Place: NOIDA
Date: February 13, 2023

ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL
AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

[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
R Systems International Limited
(CIN: L74899DL1993PLC053579)
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the 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-

- 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.
- 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.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.
- 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.
- 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.
- The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid conditions.

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 December 31, 2022 ("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 financial year ended on December 31, 2022 according to the provisions of:

- The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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, wherever applicable;
- The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
 - The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations");
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 {**Not applicable during the audit period**};
 - Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {**Not applicable during the audit period**};
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("SEBI Delisting Regulations"); and
- Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 {**Not applicable during the audit period**};

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India which has been generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines, to the extent applicable, as mentioned above.

- 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:
 - The Information Technology Act, 2000 and Rules made thereunder;
 - Policy relating to Software Technology Parks of India and its regulations;
 - Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - Foreign Trade Policy as formulated under the Foreign Trade (Development and Regulation) Act, 1992 and Rules made thereunder;
 - The Special Economic Zones Act, 2005 and Rules made thereunder.

The Company is a leading global provider of technology, artificial intelligence, RPA services and solutions along with business process outsourcing services. The Company delivers its services and solutions to technology companies and businesses to enable their digital transformation. The Company's services and solutions span over five major business verticals i.e. Technology, Telecom, Healthcare and Life Science, Finance and Insurance, and Retail & e-commerce.

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. No changes in the composition of the Board of Directors took place during the audit period.

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

As per the minutes, the decision at the Board Meetings were taken unanimously and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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 the company had following specific event/ action having a major bearing on the company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.:

- The existing Promoter & Promoter Group of the Company have signed a share purchase agreement to sell the majority stake in the Company to BCP Asia II TopCo II Pte Ltd, a private equity fund managed by Blackstone Group ("Blackstone") ("Share Purchase Agreement"), on the terms and conditions set out in the share purchase agreement dated November 16, 2022 ("Transaction").
- The Company has received the public announcement dated November 16, 2022 and the detailed public statement published on November 23, 2022 proposing to voluntarily delist the Equity Shares of the Company from National Stock Exchange of India Limited and BSE Limited (Collectively referred as "Stock Exchanges") in accordance with applicable provisions of the SEBI SAST Regulations and SEBI Delisting Regulations, subject to approval of the shareholders of the Company.
- The board of directors of the Company in its meeting held on 25th November, 2022 and shareholders of the Company through special resolution dated 31st December, 2022, passed through postal ballot, approved the proposal for voluntary delisting of the equity shares of the Company from Stock Exchanges in accordance with the applicable provisions of the SEBI SAST Regulations and SEBI Delisting Regulations.
- Subsequent to the year ended December 31, 2022, the Company has filed applications with the Stock Exchanges for their in-principle approval for voluntary delisting of the equity shares of the Company.

For **Sanjay Grover & Associates**

Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 1352/2021

CS Neeraj Arora

Partner

Place: New Delhi

CP No.: 16186 / Mem. No. F10781

Date: 13th February, 2023

UDIN: F010781D003146958

ANNEXURE 'H' TO THE DIRECTORS' REPORT

Form No. AOC-2

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

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/ transaction	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	Nil	Nil	Nil	Nil	Nil	Nil	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	Nil	Nil	Nil	Nil	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. 34 of the Standalone financial statements.

On behalf of the Board

For R Systems International Limited

Dr. Satinder Singh Rekhi

Managing Director & Chief Executive Officer
(DIN: 00006955)
Place : NOIDA
Date : February 13, 2023

Lt. Gen. Baldev Singh (Retd.)

(President & Senior Executive Director)
(DIN: 00006966)
Place : NOIDA
Date: February 13, 2023

ANNEXURE 'I' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

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.

Core areas as per the CSR Policy – Education, Sports, Health & Medical Care, Community at large, Environment etc.

The Company's CSR policy can be accessed on:

<https://www.rsystems.com/corporate-social-responsibility/>

2. Composition of the CSR Committee (As on December 31, 2022)

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. Kapil Dhameja	Non-Executive Independent Director - Chairman	4	3
2	Lt. Gen. Baldev Singh (Retd.)	President & Senior Executive Director - Member	4	4
3	Mrs. Ruchica Gupta	Non-Executive Independent Director - Member	4	4

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/corporate-governance/>

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not applicable for the financial year ended on December 31, 2022.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount Available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Nil	
6	Average Net Profit of the Company for last three financial year		₹ 879,453,290/-
7(a)	Two Percent of average net Profit of the Company as per Section 135(5)		₹ 17,589,066/-
7(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.		Nil
7(c)	Amount required to be set off for the financial year, if any		Nil
7(d)	Total CSR obligation for the financial year (7a+7b-7c).		₹ 17,589,066/-

ANNEXURE 'I' TO THE DIRECTORS' REPORT

8(a) Details of CSR amount spent or unspent during the financial year:									
Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)								
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)					
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer				
17,599,500/-	Nil			NA					
8(b) Details of CSR amount spent against ongoing projects for the financial year:									
The Company does not have any ongoing Project during the Financial year 2022									
8(c) Details of CSR amount spent against other than ongoing projects for the financial year:									
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
A	Sports Project	(vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	No	Karnataka	Bengaluru	2,150,000/-	Indirect	Prakash Padukone Badminton Academy	CSR00002741
B			No	Telangana	Hyderabad	1,000,000/-	Indirect	Pullela Gopichand Badminton Academy	CSR00001555
C			No	Punjab	Mohali	1,500,000/-	Indirect	Abhinav Bindra Foundation	CSR00000144
D	Education Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	No	Tamil Nadu	Chennai	1,000,000/-	Indirect	ICT Academy of Tamil Nadu	CSR00009157
E			No	Beas	Kapurthala	1,500,000/-	Direct	Army Public School	NA
F			No	Jharkhand	Ranchi	3,000,000/-	Direct	IIM, Ranchi	NA
G			No	Madhya Pradesh	Jabalpur	40,00,000/-	Indirect	Rajya Anand Sansthan	CSR00043118
H			Yes	Uttar Pradesh	Gautam Buddha Nagar	2,500,000/-	Indirect	Ritnand Balved Education Foundation	CSR00002905
I	Community welfare project	(i) Providing support for orphans and disabled children	Yes	Delhi	Delhi	300,000/-	Indirect	Missionaries of Charity	CSR00016527
J	Women Skill Development	(iii) promoting gender equality, empowering women,	Yes	Delhi	Delhi	349,500/-	Indirect	Providing Actions With Research And Sustainable Development	CSR00009013
K	Environment	(iv) Ensuring Environmental Sustainability	Yes	Uttar Pradesh	Ghaziabad	300,000/-	Indirect	Green Yatra	CSR00000236
Total						17,599,500/-			

8(d)	Amount spent in Administrative overheads	Nil
8(e)	Amount spent on Impact Assessment, if applicable	Nil
8(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	17,599,500/-
8(g)	Excess amount for set off, if any	
S. No.	Particulars	Amount
1	Two percent of average net profit of the Company as per Section 135(5)	17,589,066/-
2	Total amount spent for the financial year	17,599,500/-
3	Excess amount spent for the financial year	10,434
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
5	Amount available for set off in succeeding financial years	Nil

Note: The Excess amount spent in the current financial year will not be carried forward to succeeding financial years.

9 (a) Details of Unspent CSR amount for the preceding three financial years:									
S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years		
				Name of the Fund	Amount (in ₹)	Date of transfer			
NA									
b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):									
S. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing	
Nil									
10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable							Nil	
	(a) Date of creation or acquisition of the capital asset(s).								
	(b) Amount of CSR spent for creation or acquisition of capital asset.								
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.								
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).								
11	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	

Dr. Satinder Singh Rekhi
(DIN: 00006955)
(Managing Director & Chief Executive Officer)
Place: NOIDA
Date: February 13, 2023

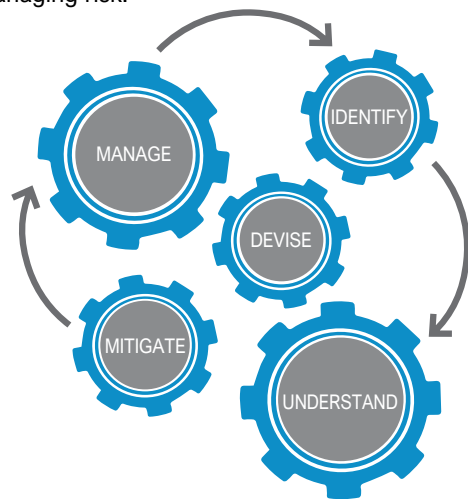
Mr. Kapil Dhameja
(DIN: 02889310)
(Chairman of the CSR Committee)
Place: GURUGRAM
Date: February 13, 2023

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 has constituted the Risk Management Committee which 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 2022 and 2021 that R Systems derived from contracts with its top line customers is as follow:

Customer	Year Ended	
	December 31, 2022	December 31, 2021
Top 10	22.81%	24.19%
Top 5	15.25%	16.44%
Top 3	11.59%	12.33%
The Largest Customer	6.66%	7.14%

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, 2022	December 31, 2021
North America	74.20%	68.86%
Europe	10.39%	13.52%
SEAC	12.54%	14.55%
India	1.88%	2.30%
Others	0.99%	0.77%
Total	100.00%	100.00%

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 processes & 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 2022, Noida IT as well as Knowledge Services Division got recertified for ISO 9001:2015.

As of the date of this report, Noida IT division is CMMI level 5 (Ver.1.3), PCMM Level 5, ISO 9001:2015, ISO 27001:2013 certified and HIPAA compliant. Noida Knowledge Services (KS) Division is PCMM Level 5, ISO 27001:2013, ISO 9001:2015 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.

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.

RISK MANAGEMENT REPORT

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.

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.

RISK MANAGEMENT REPORT

R Systems has not registered some of its intellectual property under the relevant intellectual property laws and is in the process of applying for the same. We have registered the following marks and their corresponding words as R Systems' trademarks:



PSuite Framework



PRODUCT FOREMOST



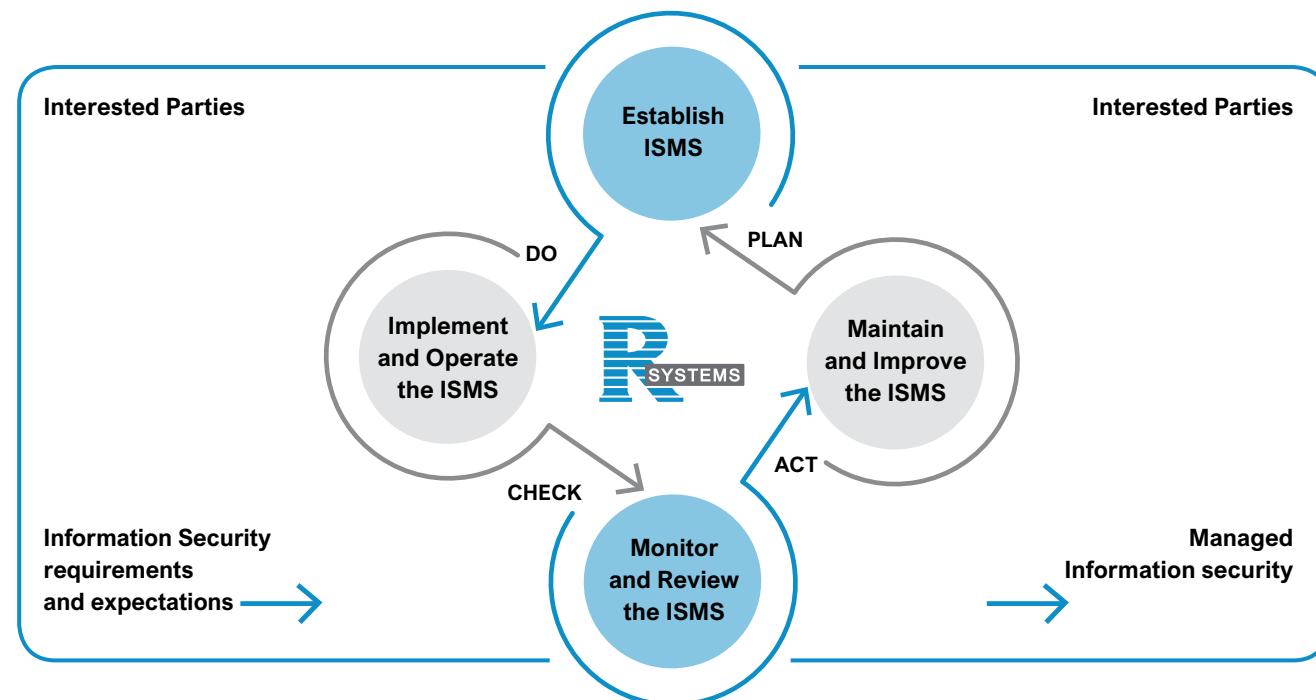
IPLM

Further the Company has registered the word "R SYSTEMS" and logo  as trademark under certain additional classes. The Company has also registered its  has been registered by the registrar under relevant classes. The Company has also registered the Word Mark "RSYSTEMS" in USA and Logo  in USA and Europe.

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. The approach applied to the ISMS is given in Figure below:



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

A significant number of R Systems clients are, Independent Software Vendors, Technology, Telecom, Healthcare and Life Science, Finance and Insurance, and Retail and e-commerce. 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, Capability Maturity Model (CMM) and Six Sigma 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

RISK MANAGEMENT REPORT

of one or more large claims against the Company could adversely affect the Company's results of operations and financial condition.

18. Statutory Compliance

R Systems has trans-national operations. R Systems operates in various geographies and it has to ensure compliance of various applicable rules and regulations in those countries. R Systems is exposed to penalties and other liabilities related to non-compliance or inadequate compliance in those countries.

INITIATIVES: R Systems 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 R Systems is not in violation of the laws applicable. 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.

19. 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.

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 AUDITOR'S 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, 2022, 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, 2022, 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 Director's Report including Annexures to Director's Report and Risk Management Report, but does not include the standalone financial statements and our auditor's report thereon.

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 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.

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

Management's Responsibility 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.

INDEPENDENT AUDITOR'S REPORT

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.

Those 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.
- 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 is in accordance with section 123 of the Companies Act, 2013.

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

Place: Noida

(Membership No.87104)

Date: 13 February, 2023

UDIN: 23087104BGYKVQ4403

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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of R Systems International Limited (“the Company”) as of 31 December, 2022 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 based on the internal control over financial reporting 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system

over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 December, 2022, based on the criteria for internal financial control over financial reporting 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

Place: Noida

Date: 13 February, 2023

(Membership No.87104)

UDIN: 23087104BGYKQ4403

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 due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (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, 2022 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 not made any investments in, provided any guarantee or security or 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, and hence reporting under clause 3(iii) of the Order is not applicable.

- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.
- (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, 2022 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, 2022 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

* Excludes statutory interest which is subject to final 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 standalone financial statements of the Company, no funds have been raised on short term basis by the Company during the year.
- (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) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (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, etc. 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 2022 and internal audit report issued after the balance sheet date covering the period July 2022 to December 2022, 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

Place: Noida
Date: 13 February, 2023

(Membership No.87104)
UDIN: 23087104BGYKQ4403

STANDALONE BALANCE SHEET

AS AT DECEMBER 31, 2022

Particulars	Note No.	As at	
		December 31, 2022	December 31, 2021
(₹ in million)			
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3 (a)	547.67	433.72
(b) Capital work in progress	3 (b)	25.06	-
(c) Investment property	3 (c)	17.43	18.90
(d) Right-of-use assets	3 (d)	539.68	329.74
(e) Intangible assets	3 (e)	9.11	2.08
(f) Financial assets			
(i) Investments	4	1,033.84	1,034.31
(ii) Other financial assets	5	33.41	48.95
(g) Deferred tax assets (net)	25	175.03	132.46
(h) Non-current tax assets (net)		27.81	10.57
(i) Other non-current assets	6	89.09	10.32
Total non-current assets (A)		2,498.13	2,021.05
B. Current assets			
(a) Financial assets			
(i) Investments	4	138.65	132.25
(ii) Trade receivables	7	1,178.70	839.18
(iii) Cash and cash equivalents	8a	825.70	622.09
(iv) Bank balances other than cash and cash equivalents	8b	4.66	235.99
(v) Other financial assets	9	759.21	755.94
(b) Other current assets	10	236.63	146.86
Total current assets (B)		3,143.55	2,732.31
Total assets (A+B)		5,641.68	4,753.36
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11	118.31	118.31
(b) Other equity	12	3,783.84	3,421.33
Total equity (A)		3,902.15	3,539.64
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	13.23	6.46
(ii) Lease liabilities	14	576.56	345.51
(iii) Other financial liabilities	15	8.76	3.45
(b) Provisions	16	207.95	193.98
Total non-current liabilities (B)		806.50	549.40
C. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	7.21	4.15
(ii) Lease liabilities	14	13.24	14.40
(iii) Trade payables	17	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		67.60	69.78
(iv) Other financial liabilities	18	447.26	255.27
(b) Other current liabilities	19	164.39	135.04
(c) Provisions	20	206.94	157.72
(d) Current tax liability (net)		26.39	27.96
Total current liabilities (C)		933.03	664.32
Total liabilities (B+C)		1,739.53	1,213.72
Total equity and liabilities (A+B+C)		5,641.68	4,753.36

Notes forming integral part of the standalone financial statements

1-40

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED
Chartered Accountants**JITENDRA AGARWAL**Partner
Membership No. 87104

Place : NOIDA

Date : February 13, 2023

DR. SATINDER SINGH REKHIManaging Director &
Chief Executive Officer
DIN: 00006955

Place : NOIDA

Date : February 13, 2023

LT. GEN. BALDEV SINGH (RETD.)President & Senior Executive
Director
DIN: 00006966

Place : NOIDA

Date : February 13, 2023

NAND SARDANA

Chief Financial Officer

Place : NOIDA

Date : February 13, 2023

BHASKER DUBEYCompany Secretary &
Compliance Officer

Place : NOIDA

Date : February 13, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	Note No.	As at	
		December 31, 2022	December 31, 2021
(₹ in million, except per share data)			
Particulars			
A Income			
(i) Revenue from operations	21	8,138.90	5,775.01
(ii) Other income	22	70.44	467.27
Total income		8,209.34	6,242.28
B Expenses			
(i) Employee benefits expense	23	5,533.61	3,969.88
(ii) Finance costs	24	42.64	38.26
(iii) Depreciation and amortisation expense	25	195.83	146.49
(iv) Other expenses	26	1,096.77	728.72
Total expenses		6,868.85	4,883.35
C Profit before tax (A-B)		1,340.49	1,358.93
D Tax expense	27		
(i) Current tax		296.55	245.27
(ii) Deferred tax		(83.17)	(43.81)
Total tax expense		213.38	201.46
E Profit for the year (C-D)		1,127.11	1,157.47
F Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		6.72	1.31
Deferred tax relating to re-measurements of the defined benefit plans		(2.35)	(0.42)
Items that will be reclassified to profit or loss			
Foreign currency translation reserve		-	(0.18)
Total other comprehensive income / (loss)		4.37	0.71
G Total comprehensive income for the year (E+F)		1,131.48	1,158.18
H Earnings per share (EPS)	28		
Equity share of par value of ₹ 1/- each			
Basic and diluted		9.53	9.70

Notes forming integral part of the standalone financial statements

1-40

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED
Chartered Accountants**JITENDRA AGARWAL**Partner
Membership No. 87104

Place : NOIDA

Date : February 13, 2023

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Director
DIN: 00006966

Place : NOIDA

Date : February 13, 2023

NAND SARDANA

Chief Financial Officer

Place : NOIDA

Date : February 13, 2023

BHASKER DUBEYCompany Secretary &
Compliance Officer

Place : NOIDA

Date : February 13, 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
A. Cash flows from operating activities		
Profit for the year	1,127.11	1,157.47
Adjustments for:		
Tax expense	213.38	201.46
Depreciation and amortisation expense	195.83	146.49
Provision / (Reversal) for doubtful debts (net)	46.72	(0.04)
Unrealised foreign exchange loss / (gain)	(23.89)	5.29
Unrealised loss / (gain) on derivative instruments	149.87	2.85
Interest income	(34.96)	(64.29)
Rental income from investment property	(6.72)	(6.72)
Net gain arising on financial assets measured at FVTPL	(6.40)	(4.23)
Loss / (Profit) on sale/disposal of property, plant and equipment (net)	(1.13)	1.10
Profit on cancellation of leases	(0.20)	-
Forgiveness of PPP Loan (refer to Note 37)	-	(31.76)
Dividend received from subsidiaries (refer to Note 34)	(3.40)	(238.88)
Lease rent concession	(7.10)	(13.12)
Reversal of provision for diminution in value of investments (refer to Note 38)	-	(10.78)
Gain on liquidation of subsidiary (refer to Note 4)	(0.15)	-
Interest expenses	42.64	38.26
Operating profit before working capital changes	1,691.60	1,183.10
Movements in working capital :		
(Increase) / Decrease in trade receivables	(368.24)	(185.14)
(Increase) / Decrease in other assets	(348.42)	(255.02)
Increase / (Decrease) in provisions	69.92	49.10
Increase / (Decrease) in trade payables and other liabilities	102.83	24.76
Cash generated from operations	1,147.69	816.80
Direct taxes paid, net of refunds	(277.10)	(243.48)
Interest on income-tax refund	-	4.79
Net cash from operating activities (A)	870.59	578.11
B. Cash flows from / (used in) investing activities		
Purchase of property, plant and equipment	(281.52)	(191.51)
Purchase of intangible assets	(9.61)	(0.09)
Proceeds from sale of property, plant and equipment	2.91	2.54
Proceeds from subsidiary on voluntary liquidation (refer to Note 4)	0.62	-
Proceeds from / (investment in) fixed deposits with scheduled banks (net)	337.71	298.83
Interest received	40.55	64.17
Rental income from investment property	6.72	6.72
Dividend received from subsidiaries (refer to Note 34)	3.40	238.88
Net cash from / (used in) investing activities (B)	100.78	419.54

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
C. Cash flows used in financing activities		
Proceeds from borrowings	15.32	7.87
Repayment of borrowings	(5.49)	(5.37)
Proceeds from / (Investment in) margin money deposits	23.18	(3.88)
Payment of lease liabilities	(41.01)	(37.87)
Interest paid	(1.16)	(2.77)
Interim dividend paid (refer to Note 36)	(768.97)	(677.66)
Buy-back of equity shares (including tax) [refer to Note 11(d)(iii)]	-	(369.80)
Net cash used in financing activities (C)	(778.13)	(1,089.48)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	193.24	(91.83)
Add: Cash and cash equivalents at the beginning of the year	622.09	715.48
Add: Effect of exchange rate changes on cash and cash equivalents held in foreign currency	10.37	(1.56)
Cash and cash equivalents at the end of the year	825.70	622.09

Notes forming integral part of the standalone financial statements 1-40

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

DR. SATINDER SINGH REKHI
Managing Director &
Chief Executive Officer
DIN: 00006955

LT. GEN. BALDEV SINGH (RETD.)
President & Senior Executive
Director
DIN: 00006966

NAND SARDANA
Chief Financial Officer

BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : NOIDA
Date : February 13, 2023

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Place : NOIDA
Date : February 13, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

A. Equity share capital

(₹ 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
Balance as at January 01, 2021	Changes in equity share capital during the year *	Balance as at December 31, 2021
119.64	(1.33)	118.31

*Changes in equity share capital during the year

(₹ in million)

Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	8.83
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	(8.83)
Buy-back of shares [refer to Note 11(d)(iii)]	(1.33)
	(1.33)

B. Other equity (refer to Note 12)

(₹ in million)

Particulars	Reserves and surplus				Other comprehensive income		Total other equity
	Capital reserve under common control	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at January 01, 2022	(0.34)	-	5.02	-	3,416.65	-	3,421.33
Profit for the year	-	-	-	-	1,127.11	-	1,127.11
Other comprehensive income for the year	-	-	-	-	4.37	-	4.37
Interim dividend paid (refer to Note 36)	-	-	-	-	(768.97)	-	(768.97)
Balance as at December 31, 2022	(0.34)	-	5.02	-	3,779.16	-	3,783.84
Balance as at January 01, 2021	(0.34)	46.66	3.69	155.04	3,104.05	0.18	3,309.28
Profit for the year	-	-	-	-	1,157.47	-	1,157.47
Other comprehensive income/(loss) for the year	-	-	-	-	0.89	(0.18)	0.71
Interim dividend paid (refer to Note 36)	-	-	-	-	(677.66)	-	(677.66)
Buy-back of shares [refer to Note 11(d)(iii)]	-	(46.66)	1.33	(155.04)	(98.23)	-	(298.60)
Tax on buy-back [refer to Note 11(d)(iii)]	-	-	-	-	(69.87)	-	(69.87)
Balance as at December 31, 2021	(0.34)	-	5.02	-	3,416.65	-	3,421.33

Gain of ₹ 4.37 million and ₹ 0.89 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the years ended December 31, 2022 and 2021, respectively.

Notes forming integral part of the standalone financial statements 1-40

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

DR. SATINDER SINGH REKHI
Managing Director &
Chief Executive Officer
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Place : NOIDA
Date : February 13, 2023

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Date : February 13, 2023

Place : NOIDA
Date : February 13, 2023

NOTES

TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. Nature of operations

R Systems International Limited (the 'Company' or 'R Systems') 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. Technology, Telecom, Healthcare and Life Science, Finance and Insurance, and Retail & e-commerce.

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, 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. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

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.

NOTES

TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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 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 of fixed assets and 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 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. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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 assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(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

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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
- 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 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 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.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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.

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, vehicle 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.

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 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 where 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

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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 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.

(q) 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 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, exchange gain / loss on forward contracts and on foreign currency liabilities relating to Property, Plant and Equipment acquisition 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 and investment 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.

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.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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.

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.

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.

(w) 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.

(x) 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.

(y) 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.

(z) 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.

(aa) 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.

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.

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(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.

New Standards, interpretations and amendments not yet adopted

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. These amendments are applicable to the Company for the financial year starting January 01, 2023. The Company does not expect the amendment to have any significant impact in its financial statements.

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

d) Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

3 (a). Property, plant and equipment

Particulars	(₹ in million)								
	At cost	Buildings and leasehold improvements	Plant and equipment	Electric installation	Furniture and fittings	Computer hardware	Vehicles ¹	Office equipment	Total
Gross Block									
As at January 01, 2021	85.77	85.77	57.25	20.09	81.68	561.81	70.48	43.14	920.22
Additions	-	-	-	-	0.04	171.37	11.77	3.09	186.27
Deletions	-	-	(1.72)	-	(1.74)	(8.38)	(6.03)	(0.24)	(18.11)
As at December 31, 2021	85.77	85.77	55.53	20.09	79.98	724.80	76.22	45.99	1,088.38
Additions	-	-	4.28	-	1.05	226.34	34.78	4.51	270.96
Deletions	-	-	-	-	-	(11.04)	(11.56)	(3.03)	(25.63)
As at December 31, 2022	85.77	85.77	59.81	20.09	81.03	940.10	99.44	47.47	1,333.71
Accumulated Depreciation									
As at January 01, 2021	36.12	36.12	34.59	18.49	75.25	333.20	29.75	33.68	561.08
Charge for the year	3.48	3.48	3.65	0.26	1.11	87.23	8.38	3.94	108.05
Deletions	-	-	(1.72)	-	(0.61)	(8.16)	(3.74)	(0.24)	(14.47)
As at December 31, 2021	39.60	39.60	36.52	18.75	75.75	412.27	34.39	37.38	654.66
Charge for the year	3.48	3.48	2.78	0.26	0.88	133.69	10.11	4.03	155.23
Deletions	-	-	-	-	-	(10.63)	(10.20)	(3.02)	(23.85)
As at December 31, 2022	43.08	43.08	39.30	19.01	76.63	535.33	34.30	38.39	786.04
Net block									
As at December 31, 2021	46.17	46.17	19.01	1.34	4.23	312.53	41.83	8.61	433.72
As at December 31, 2022	42.69	42.69	20.51	1.08	4.40	404.77	65.14	9.08	547.67

Notes:

(1) Gross block of vehicles amounting to ₹ 37.19 million (as at December 31, 2021 : ₹ 21.69 million) are hypothecated against terms loans for vehicle financed from a non-banking financial company.

(2) Capital commitments:

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Estimated amount of unexecuted capital contracts (A)	10.97	35.91
Capital advances (B)	8.80	4.97
Net capital commitment (A-B)	2.17	30.94

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

3 (b). Capital work in progress ageing schedule

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, 2022	25.06	-	-	-	25.06
As at December 31, 2021	-	-	-	-	-

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

Particulars	As at	
	December 31, 2022	December 31, 2021
Cost of land and building given on operating lease		
Balance at beginning of the year	35.96	35.96
Additions	-	-
Balance at the end of year	35.96	35.96
Accumulated depreciation		
Balance at beginning of the year	17.06	15.59
Charge for the year	1.47	1.47
Balance at the end of year	18.53	17.06
Net block	17.43	18.90

Measurement of fair values

Investment property consists of land and building situated at Pune, India and is accounted at cost. The Company has estimated that the fair value of investment property as at December 31, 2022 was ₹ 99.73 million (Previous year: ₹ 92.86 million). The estimated fair value 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

Particulars	As at					
	Land Leasehold	Building	Vehicles	Computer hardware	Furniture and fittings	Total
At cost						
Gross Block						
As at January 01, 2021	19.99	320.36	3.58	0.97	63.00	407.90
Retirement on completion/termination of lease	-	(5.86)	-	-	-	(5.86)
As at December 31, 2021	19.99	314.50	3.58	0.97	63.00	402.04
Additions	-	208.65	-	-	49.42	258.07
Modification of lease	-	(8.87)	-	-	(1.93)	(10.80)
Retirement on completion/termination of lease	(4.69)	-	(3.58)	-	-	(8.27)
As at December 31, 2022	15.30	514.28	-	0.97	110.49	641.04
Accumulated Depreciation						
As at January 01, 2021	5.36	25.08	1.16	0.22	11.34	43.16
Charge for the year	1.97	25.32	1.16	0.22	6.33	35.00
Retirement on completion/termination of lease	-	(5.86)	-	-	-	(5.86)
As at December 31, 2021	7.33	44.54	2.32	0.44	17.67	72.30
Charge for the year	1.06	26.74	0.77	0.22	7.77	36.56
Retirement on completion/termination of lease	(4.41)	-	(3.09)	-	-	(7.50)
As at December 31, 2022	3.98	71.28	-	0.66	25.44	101.36
Net block						
As at December 31, 2021	12.66	269.96	1.26	0.53	45.33	329.74
As at December 31, 2022	11.32	443.00	-	0.31	85.05	539.68

3 (e). Intangible assets

Particulars	As at	
	December 31, 2022	December 31, 2021
At cost		
Software		
Gross Block		
Balance at beginning of the year	52.11	55.20
Additions	9.61	0.09
Deletions	(5.49)	(3.18)
Balance at the end of year	56.23	52.11
Accumulated amortisation		
Balance at beginning of the year	50.03	51.23
Charge for the year	2.57	1.97
Deletions	(5.48)	(3.17)
Balance at the end of year	47.12	50.03
Net block	9.11	2.08

4. Investments

Particulars	As at	
	December 31, 2022	December 31, 2021
A. Non-current investments		
Unquoted investments in equity shares (fully paid), measured at FVTPL		
Investment in Saraswat Co-operative Bank Ltd	0.03	0.03
2,500 (previous year 2,500) shares of ₹ 10 each fully paid up		
Total investment measured at FVTPL	0.03	0.03
Investment in subsidiaries, measured at cost		
(i) Investment in R Systems, Inc., USA	281.17	281.17
2,150 (previous year 2,150) shares of "no par" value		
(ii) Investment in R Systems (Singapore) Pte. Ltd., Singapore	274.56	274.56
5,780,768 (previous year 5,780,768) ordinary shares of "no par" value		
(iii) Investment in R Systems Technologies Limited, USA	10.79	10.79
243,750 (previous year 243,750) common stock of "no par" value		
(iv) Investment in R Systems Consulting Services Limited, Singapore (also refer to Note 1 below)	36.34	36.34
63,891,260 (previous year 63,891,260) ordinary shares of "no par" value		
Less: Provision for diminution in the value of investment	(5.53)	(5.53)
(v) Investment in R Systems Computaris International Limited, UK	350.63	350.63
66,500 (previous year 66,500) ordinary shares of GBP 0.01 each fully paid up		
(vi) Investment in RSYS Technologies Limited, Canada	85.85	85.85
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		
(vii) Investment in IBIZ Consultancy Services India Private Limited, India (also refer to Note below)	-	0.47
Nil (previous year 50,000) equity shares of ₹ 10 each fully paid		
Total investments measured at cost	1,033.81	1,034.28
Aggregate carrying value of Non-current unquoted investments	1,033.84	1,034.31
Provision for investments	5.53	5.53

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
B. Current investments		
Unquoted investments in mutual funds, measured at FVTPL		
9,139 (previous year 9,139) units of SBI Premier Liquid Fund	31.43	30.00
7,277 (previous year 7,277) units of HDFC Liquid Fund	31.38	29.96
115,669 (previous year 115,669) units of ICICI Prudential Liquid Fund	37.90	36.14
15,428 (previous year 15,428) units of Axis Liquid Fund	37.94	36.15
Total investments in mutual funds	138.65	132.25
Total current investments (unquoted)	138.65	132.25

Notes:

During the year, IBIZ Consultancy Services India Private Limited (IBIZ India), wholly owned subsidiary of 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. Subsequent to the year ended December 31, 2022, the application for approving the voluntary liquidation and dissolution of IBIZ India, along with the Final Report of the liquidator, has been filed with the Hon'ble National Company Law Tribunal, New Delhi.

Being the sole shareholder of IBIZ India, the Company has 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.

Due to the adverse financial conditions of the R Systems Consulting Services Limited (formerly known as ECnet Limited) in the earlier years, the Company had granted support by way of extended the loan to the tune of ₹ 152,000,000 (SGD 3,800,000). During the year ended Dec 31, 2011, basis the regulatory approvals the loan was converted in to the Investment as Share capital of the subsidiary. The aforesaid investment was recorded at the fair value of Rs Nil at the time of its conversion.

5. Other non-current financial assets

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Unsecured, considered good		
Security deposits	27.14	19.74
Margin money deposits (refer to Note 8b)	5.86	29.04
Interest accrued on bank deposits	0.36	0.10
Staff advance	0.05	0.07
	33.41	48.95

6. Other non-current assets

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Unsecured, considered good		
Capital advances	8.80	4.97
Prepaid expenses	80.29	5.35
	89.09	10.32

7. Trade receivables (Unsecured)

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Unsecured, considered good	1,178.70	839.18
Unsecured, credit impaired	49.67	6.02
Less: Allowance for doubtful debts (expected credit loss allowance)	(49.67)	(6.02)
	1,178.70	839.18

Refer to Note 34 for related party balances.

Particulars	(₹ in million)					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
As at December 31, 2022						
Undisputed, considered good	817.12	361.03	0.55	-	-	1,178.70
Undisputed, credit impaired	-	16.20	22.84	9.06	-	48.10
Disputed, credit impaired	-	-	1.57	-	-	1.57
As at December 31, 2021						
Undisputed, considered good	585.63	248.83	4.72	-	-	839.18
Undisputed, credit impaired	-	0.04	0.46	2.58	2.55	5.63
Disputed, credit impaired	-	0.39	-	-	-	0.39

* no trade receivables are outstanding for more than 3 years.

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	(₹ in million)			
	Not due-90 days	90-180 days	180-365 days	More than 365 days*
Default rate as at December 31, 2022	0.01%	0.07%	0.17%	2.00%
Default rate as at December 31, 2021	0.01%	0.11%	0.35%	2.00%

*In case of probability of non-collection, credit loss rate is 100%

Movement in expected credit loss allowance:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Balance at the beginning of the year	6.02	7.66
Provision / (Reversal) for doubtful debts (net)	46.72	(0.04)
Bad debts written off	(6.60)	(1.74)
Effect of foreign exchange fluctuation	3.53	0.14
Balance at the end of the year	49.67	6.02

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

8a. Cash and cash equivalents

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
(a) Cash on hand	0.20	0.55
(b) Balances with scheduled banks		
(i) in current accounts	15.41	73.56
(ii) in EEFC accounts	173.97	111.08
(iii) in deposit accounts with original maturity of less than 3 months	525.47	250.27
(c) Balances with other banks		
(i) in current accounts	110.65	186.63
Cash and cash equivalents	825.70	622.09

8b. Bank balances other than cash and cash equivalents

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
(a) In other deposit accounts		
(i) original maturity more than 12 months	232.12	337.76
(ii) original maturity more than 3 months but less than 12 months	2.10	234.17
(iii) held as margin money	5.86	29.04
Deposits with banks	240.08	600.97
Less: Bank deposits with original maturity of more than 12 months disclosed under Note 9	(232.12)	(337.76)
Less: Margin money deposit disclosed under Note 5	(5.86)	(29.04)
	2.10	234.17
(b) Balances with scheduled banks		
(i) in unclaimed dividend accounts	2.56	1.82
Bank balances other than cash and cash equivalents	4.66	235.99

Note:

(i) For details of bank wise balances, refer to Note 8c.

8c. Cash and bank balances

S. No. Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
A Cash on Hand	0.20	0.55
Balances with scheduled banks		
B In current accounts		
1 ICICI Bank Limited	8.95	69.27
2 HDFC Bank Limited	0.14	0.28
3 Punjab National Bank	-	0.43
4 Axis Bank Limited	6.32	3.58
	15.41	73.56
C In cash credit / overdraft account*		
1 Axis Bank Limited	-	-
2 ICICI Bank Limited	-	-
	-	-

S. No. Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
D In EEFC accounts		
1 ICICI Bank Limited	32.94	48.84
2 Axis Bank Limited	141.03	62.24
	173.97	111.08
E In deposit accounts		
1 State Bank of India	5.34	57.91
2 ICICI Bank Limited	11.02	290.91
3 Axis Bank Limited	749.19	405.88
4 Punjab National Bank	-	32.46
5 HDFC Bank Limited	-	64.08
	765.55	851.24
F In unclaimed dividend accounts		
1 HDFC Bank Limited	0.74	1.82
2 ICICI Bank Limited	1.82	0.00
	2.56	1.82
Balance with other banks		
G In current accounts		
1 California Bank & Trust, USA	110.19	186.63
2 JP Morgan Chase Bank, USA	0.46	-
	110.65	186.63
Total cash and bank balances (A+B+C+D+E+F+G)	1,068.34	1,224.88
Cash and cash equivalents (refer to Note 8a)	825.70	622.09
Deposits with banks (refer to Note 8b)	240.08	600.97
Balance in unclaimed dividend accounts (refer to Note 8b)	2.56	1.82
Total cash and bank balances	1,068.34	1,224.88

* 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 motor vehicles).

9. Other current financial assets

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Staff advance	2.37	3.18
Recoverable from related parties (refer to Note 34)	18.17	2.24
Unbilled revenue (refer to Note 21 and Note 34)	503.47	337.83
Security deposits	2.90	4.79
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	232.12	337.76
Mark-to-market gain on derivative instruments (refer to Note 30)	-	51.81
Interest accrued on bank deposits	0.02	6.90
Others	0.16	11.43
	759.21	755.94

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

10. Other current assets

(₹ in million)

Particulars	As at	As at
	December 31, 2022	December 31, 2021
Balance with indirect tax authorities	68.68	36.79
Unbilled revenue (refer to Note 21 and Note 34)	10.48	0.12
Prepaid expenses	147.97	101.89
Advance to vendors	6.33	7.73
Tour and travel advance	3.17	0.33
	236.63	146.86

11. Equity share capital

(₹ in million)

Particulars	As at	As at
	December 31, 2022	December 31, 2021
Authorised		
206,000,000 (December 31, 2021: 206,000,000) equity shares of ₹ 1 each	206.00	206.00
Issued, subscribed and fully paid up		
118,303,445 (December 31, 2021: 118,303,445) equity shares of ₹ 1 each	118.31	118.31
	118.31	118.31

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, 2022		Year ended December 31, 2021	
	Number of shares	₹ in million	Number of shares	₹ in million
At the beginning of the year	118,303,445	118.31	119,636,445	119.64
Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note d(i) below]	-	-	8,828,489	8.83
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to d(i) below]	-	-	(8,828,489)	(8.83)
Buy-back of shares [refer to Note (d)(iii) below]	-	-	(1,333,000)	(1.33)
Outstanding at the closing of the year	118,303,445	118.31	118,303,445	118.31

(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 / ultimate holding company and / or their subsidiaries / associates:**

The Company does not have any holding / 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 issued pursuant to merger of GM Solutions Private Limited:**

Pursuant to the scheme of amalgamation approved by Hon'ble National Company Law Tribunal, New Delhi vide order dated December 07, 2018 between GM Solutions Private Limited (GM Solutions) and the Company and their respective shareholders and creditors, 29,746,353 fully paid equity shares of the face value of ₹ 1/- each of the Company were issued and allotted to the equity shareholders of GM Solutions in the proportion of their respective equity shareholding in GM Solutions and equivalent number of shares of the Company as held by GM Solutions were cancelled and extinguished.

(iii) **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. Further, the Company has apportioned ₹ 69.87 million out of retained earnings towards tax on aforesaid buy-back.

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, 2022		As at December 31, 2021	
	No. of shares held	% of Holding	No. of shares held	% of Holding
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi and Harpreet Rekhi)	11,702,623	9.89	11,702,623	9.89
Dr. Satinder Singh Rekhi	7,403,456	6.26	7,403,456	6.26
Sartaj Singh Rekhi	18,676,248	15.79	18,676,248	15.79
Ramneet Singh Rekhi	16,236,331	13.72	16,236,331	13.72
Bhavook Tripathi	42,038,395	35.53	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.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(f) Shareholding of promoters and promoters group of the Company

Particulars	As at December 31, 2022		Percentage change during the year ended December 31, 2022
	No. of shares held	% of Holding	
Promoters:			
Dr. Satinder Singh Rekhi	7,403,456	6.26	-
Harpreet Rekhi	5,099,389	4.31	-
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi & Harpreet Rekhi)	11,702,623	9.89	-
Promoters group:			
Sartaj Singh Rekhi	18,676,248	15.79	-
Ramneet Singh Rekhi	16,236,331	13.72	-
Jagmohan Singh Walia	1,272,389	1.08	-
Kuldeep Baldev Singh	371,908	0.31	-
Anita Behl	367,525	0.31	-
Amrita Rekhi	100	0.00	-

12. Other equity

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
a. Capital reserve under common control	(0.34)	(0.34)
Capital reserve under common control represent reserves recorded upon business transfer under common control.		
b. Capital redemption reserve	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.		
c. Retained earnings	3,779.16	3,416.65
Retained earnings comprises the Company's undistributed earnings after taxes.		
Other equity	3,783.84	3,421.33

Note:

Year-wise movement of the individual line items above is given in the Standalone Statement of Changes in Equity.

13. Borrowings

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Term loans		
- Motor vehicle loan from non-banking financial company (secured)	20.44	10.61
Less:		
Current maturities of term loans		
- Motor vehicle loan	7.21	4.15
	13.23	6.46

Notes:

Motor vehicle loans are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 7.30% to 10.26% per annum. The term loans are repayable in equated monthly installments ranging from 36 to 60 months from the date of loan.

14. Lease liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Non-current	576.56	345.51
Current	13.24	14.40
	589.80	359.91

Movement schedule of lease liabilities is as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Opening balance	359.91	375.50
Additions during the year	248.46	-
Interest accrued on lease liability	41.40	35.48
Modification of lease	(10.80)	-
Cancellation/termination of lease	(0.97)	-
Payment of lease liability	(41.01)	(37.87)
Lease rent concession	(7.10)	(13.12)
Effect of foreign exchange fluctuation	(0.09)	(0.08)
Closing balance	589.80	359.91

15. Other non-current financial liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Security deposits	8.76	3.45
	8.76	3.45

16. Provisions (non-current)

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits		
- Gratuity	207.95	193.98
	207.95	193.98

Refer to Note 23 for detailed disclosures for gratuity.

NOTES

TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

17. Trade payables**Trade payables ageing schedule:**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at December 31, 2022					
Micro enterprises and small enterprises	-	-	-	-	-
Others	6.65	-	-	-	6.65
Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	6.65	-	-	-	6.65
Accrued expenses					60.95
Total					67.60
As at December 31, 2021					
Micro enterprises and small enterprises	-	-	-	-	-
Others	1.92	-	-	-	1.92
Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	1.92	-	-	-	1.92
Accrued expenses					67.86
Total					69.78

Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, there are no dues to such suppliers.

Particulars	As at December 31, 2022	As at December 31, 2021
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

18. Other current financial liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Payable to subsidiary companies (refer to Note 34)	54.66	30.03
Security deposits received	9.96	10.78
Unclaimed dividend	2.56	1.82
Mark-to-market loss on derivative instruments (refer to Note 30)	98.06	-
Employee benefits payable	256.26	203.14
Capital creditors	21.97	3.64
Advance from customers	0.34	2.47
Other financial liabilities	3.45	3.39
	447.26	255.27

19. Other current liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Statutory dues payable		
Tax deducted at source	55.21	30.93
Provident fund / 401K	35.69	27.50
Goods and Service Tax	2.13	4.73
Others	0.76	0.53
Unearned revenues (refer to Note 21 and Note 34)	70.60	71.35
	164.39	135.04

20. Provisions (current)

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits		
- Gratuity	24.43	9.69
- Compensated absence	182.51	148.03
	206.94	157.72

Refer to Note 23 for detailed disclosures for gratuity.

21. Revenue from operations

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Sale of services	8,138.90	5,775.01
	8,138.90	5,775.01

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.

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Revenue by geography:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
India	278.02	262.62
North America	7,148.28	4,835.30
South East Asia	126.37	84.26
Europe	538.34	580.95
Others	47.89	11.88
	8,138.90	5,775.01

Revenue by customer's industry type :

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Technology	4,130.34	3,141.85
Telecom	387.94	351.63
Healthcare and life science	1,130.93	740.23
Finance and insurance	776.75	604.20
Others	1,712.94	937.10
	8,138.90	5,775.01

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 revaluations, 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.

22. Other income

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Interest income on		
- Bank deposits	33.93	55.75
- Financial instruments measured at amortised cost	1.03	0.84
- Other	-	7.70
Dividend received from subsidiaries (refer to Note 34)	3.40	238.88
Forgiveness of PPP Loan (refer to Note 37)	-	31.76
Rental income from investment property	6.72	6.72
Foreign exchange fluctuation (net)	-	96.39
Reversal of provision for doubtful debts (net)	-	0.04
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	13.12
Net gain arising on financial assets measured at FVTPL	6.40	4.23
Reversal of provision for diminution in value of investments (refer to Note 38)	-	10.78
Gain on Liquidation of subsidiary (refer to Note 4)	0.15	-
Miscellaneous income	10.38	1.06
	70.44	467.27

23. Employee benefits expense

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Salaries, wages and bonus	5,174.12	3,714.72
Gratuity expenses	49.00	39.48
Contribution to social security plans	192.84	136.96
Staff welfare expenses	117.65	78.72
	5,533.61	3,969.88

(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 when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) Gratuity

Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit obligations) is as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Service cost	37.24	29.87
Net interest cost	11.76	9.61
Net gratuity expense recognised in statement of profit and loss	49.00	39.48
Re-measurement loss / (gain) recognised in other comprehensive income	(6.72)	(1.31)
Total Cost Recognised in total comprehensive income	42.28	38.17

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Details of defined benefit obligations:

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Defined benefit obligation	243.42	226.26
Fair value of plan assets	11.04	22.59
Net defined benefit obligation	232.38	203.67

Changes in the defined benefit obligation are as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Opening defined benefit obligation	226.26	200.13
Service cost	37.24	29.87
Interest cost	13.17	10.76
Benefits paid	(23.90)	(15.93)
Actuarial (gains) / losses on obligation	(9.35)	1.43
Closing defined benefit obligation	243.42	226.26

Changes in the fair value of plan assets are as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Opening fair value of plan assets	22.59	20.12
Expected return	1.41	1.15
Contributions by the employer	13.57	14.51
Benefits paid	(23.90)	(15.93)
Actuarial gains / (losses) on plan assets	(2.63)	2.74
Closing fair value of plan assets	11.04	22.59

Amounts recognised in other comprehensive income (OCI):

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Actuarial (gain) / loss due to change in demographic assumption of defined benefit obligation	-	(8.55)
Actuarial (gain) / loss due to change in financial assumption of defined benefit obligation	(19.81)	(4.32)
Actuarial (gain) / loss from change in experience adjustment of defined benefit obligation	10.46	14.30
Return on plan assets (greater) / less than discount rate	2.63	(2.74)
Re-measurement loss / (gain) recognised in OCI	(6.72)	(1.31)

Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions is given below:

Defined Benefit Obligation	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Discount rate		
a. Discount rate - 100 basis points	260.33	242.89
b. Discount rate + 100 basis points	228.49	211.66
Salary increase rate		
a. Rate - 100 basis points	230.18	213.24
b. Rate + 100 basis points	257.41	240.09

Maturity Profile of Defined Benefit Obligation

Expected Future Cash flows (undiscounted)	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Year 1	35.47	32.29
Year 2	27.76	25.58
Year 3	27.09	22.88
Year 4	28.63	22.70
Year 5	23.21	23.91
Year 6 to10	89.82	71.75
Year 10 +	215.16	183.71

The major categories of plan assets as a percentage of the fair value of total plan assets:

Particulars	As at	
	December 31, 2022	December 31, 2021
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, 2022	December 31, 2021
Discount rate	7.43%	6.27%
Salary Increment rate	First year 10%, thereafter 7%	First year 10%, thereafter 7%

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(B) Demographic Assumptions

Particulars	As at December 31, 2022	As at December 31, 2021
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	Below Age 30 Yrs. - 35%	Below Age 30 Yrs. - 35%
	Age 30 to 34 Yrs. - 25%	Age 30 to 34 Yrs. - 25%
	Age 34 to 44 Yrs. - 18%	Age 34 to 44 Yrs. - 18%
	Age 44 to 50 Yrs. - 7%	Age 44 to 50 Yrs. - 7%
	Age 50 to 54 Yrs. - 5%	Age 50 to 54 Yrs. - 5%
	Above Age 54 Yrs. -1%	Above Age 54 Yrs. -1%
Retirement age	60 Yrs.	60 Yrs.

24. Finance costs

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense on term loans	1.16	0.73
Interest expense on lease liabilities (refer to Note 14)	41.40	35.48
Interest expense under income tax	0.08	2.05
	42.64	38.26

25. Depreciation and amortisation expense

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Depreciation on property, plant and equipment	155.23	108.05
Depreciation on investment property	1.47	1.47
Depreciation on right-of-use assets	36.56	35.00
Amortisation of intangible assets	2.57	1.97
	195.83	146.49

26. Other expenses

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Power and fuel	33.35	26.58
Rent - premises	30.76	24.25
Software subscription charges	138.62	105.68
Repair and maintenance	53.45	37.95
Commission	7.62	17.52
Travelling and conveyance	128.32	64.51
Communication costs	95.05	71.63
Legal and professional fees (including subcontracting expenses)	302.15	218.57
Auditors' remuneration (refer detail below)	6.30	6.10
Foreign exchange fluctuation (net)	47.77	-
Provision for doubtful debts (net)	46.72	-
Loss on sale / discard of property, plant and equipment (net)	-	1.10
Contribution towards corporate social responsibility (refer detail below)	17.60	11.49
Miscellaneous expenses	189.06	143.34
	1,096.77	728.72

(i) Detail of auditors remuneration

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
As auditor of the Company:		
- Statutory audit fee	2.26	2.08
- Quarterly audit fee	3.06	3.02
- Certification	0.60	0.85
- Out-of-pocket expenses	0.38	0.16
	6.30	6.11

(ii) Contribution towards corporate social responsibility (CSR)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Amount required to be spent by the Company during the year	17.59	11.40
Amount spend by the Company in accordance with its CSR Policy	17.60	11.49

Nature of CSR activities:

The Company has spend on the following projects/initiatives in accordance with the CSR policy of the Company:

1. Promotion and training of nationally recognised sports and Olympic sports
2. Promoting and imparting education including special education, skill development etc.
3. Providing support for orphans and disabled children
4. Women empowerment and skill development
5. Environmental sustainability

27. Income tax

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Current income tax		
In respect of the current year	309.01	245.27
In respect of the prior periods	(12.46)	-
Deferred tax	(83.17)	(43.81)
Income tax expense recognised in the statement of profit and loss	213.38	201.46
Income tax recognised in other comprehensive income		
Deferred tax relating to re-measurements of the defined benefit plans	2.35	0.42
	215.73	201.88

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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:

Particulars	Year ended	
	December 31, 2022	December 31, 2021
	(₹ in million)	
Profit before tax	1,340.49	1,358.93
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	468.42	474.86
Tax effect of:		
Income exempt from tax	(266.12)	(167.32)
Temporary differences reversing during the tax holiday period	29.55	3.27
Deduction in relation to dividend income	(1.19)	(83.47)
Expenses that are not deductible in determining taxable profit	2.90	2.62
True-up of tax provisions related to previous years	(12.46)	-
Income chargeable at different tax rate	(6.18)	-
Change in corporate tax rate	-	(27.32)
Others	(1.54)	(1.18)
Income tax expense recognised in the statement of profit and loss	213.38	201.46

Deferred tax

Deferred tax assets / (liabilities) as at December 31, 2022 in relation to:

Particulars	Year ended				
	January 01, 2022	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	December 31, 2022
	(₹ in million)				
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
Total	132.46	83.17	(2.35)	(38.25)	175.03

Deferred tax assets / (liabilities) as at December 31, 2021 in relation to:

Particulars	Year ended				
	January 01, 2021	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	December 31, 2021
	(₹ in million)				
Property, plant and equipment and Intangible assets	(14.26)	(9.20)	-	-	(23.46)
Right-of-use assets and lease liabilities	11.18	8.79	-	-	19.97
Provision for doubtful debts	0.65	0.75	-	-	1.40
Provision for gratuity	52.42	19.16	(0.42)	-	71.16
Other employee benefits	40.03	16.43	-	-	56.46
Mark-to-market loss / (gain) on derivative instruments	(9.58)	(4.68)	-	-	(14.26)
Net gain arising on financial assets measured at FVTPL	(5.25)	(2.52)	-	-	(7.77)
MAT credit entitlement	13.88	15.08	-	-	28.96
Total	89.07	43.81	(0.42)	-	132.46

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 significant 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 Zone Act, 2005 scheme, units in designated Special Economic Zones 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 next five years. Certain tax benefits are also available for a further period of five years subject to the unit meeting defined conditions.

28. 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, 2022	December 31, 2021
	(₹ in million)	
Net profit after tax (₹ in million)	1,127.11	1,157.47
Weighted average number of equity shares for calculating Basic and Diluted EPS	118,303,445	119,347,933
Earnings per share (Equity share of par value of ₹ 1/- each)		
Basic and Diluted (₹)	9.53	9.70

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29. Financial instruments

The carrying values and fair values of financial instruments by categories are as follows:

Particulars	Note reference	Basis of measurement	As at December 31, 2022		As at December 31, 2021		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
(₹ in million)							
Assets							
Investments in subsidiaries	4	At cost	1,033.81	1,033.81	1,034.28	1,034.28	
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	132.25	132.25	Level 1
Trade receivables	7	Amortised cost	1,178.70	1,178.70	839.18	839.18	
Cash and cash equivalents	8a	Amortised cost	825.70	825.70	622.09	622.09	
Other bank balances	8b	Amortised cost	4.66	4.66	235.99	235.99	
Mark-to-market gain on derivative instruments	9	FVTPL	-	-	51.81	51.81	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	792.62	792.62	753.08	753.08	
Total			3,974.17	3,974.17	3,668.71	3,668.71	
Liabilities							
Borrowings	13	Amortised cost	20.44	20.44	10.61	10.61	
Lease liabilities	14	Amortised cost	589.80	589.80	359.91	359.91	
Trade payables	17	Amortised cost	67.60	67.60	69.78	69.78	
Mark-to-market loss on derivative instruments	18	FVTPL	98.06	98.06	-	-	Level 2
Other financial liabilities (Other than derivative instruments)	15,18	Amortised cost	357.96	357.96	258.72	258.72	
Total			1,133.86	1,133.86	699.02	699.02	

Carrying amount of financial instruments at amortised cost approximates their fair value.

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.

30. 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. 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 along with 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 and Euros). A significant portion of the Company's revenues are in these 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, 2022, the Company has recognised mark-to-market liability of ₹ 98.06 million (previous year: mark-to-market asset of ₹ 51.81 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market loss of ₹ 149.87 million (previous year: ₹ 2.85 million) for the year ended December 31, 2022 recorded as foreign exchange fluctuation.

The following table gives details in respect of outstanding foreign currency forward contracts:

Particulars	As at December 31, 2022	As at December 31, 2021
USD		
Foreign currency (million)	42.20	32.70
Average rate	81.39	77.22
Rupees (million)	3,434.56	2,525.15
EURO		
Foreign currency (million)	2.40	2.10
Average rate	88.87	91.47
Rupees (million)	213.29	192.09

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of December 31, 2022 and December 31, 2021:

As at December 31, 2022	Designated in foreign currency				Total
	USD	EURO	CAD	Others#	
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

As at December 31, 2021	Designated in foreign currency				Total
	USD	EURO	CAD	Others#	
Trade receivables	597.16	102.05	54.90	22.26	776.37
Other financial assets	5.11	-	-	1.82	6.93
Cash and cash equivalents	295.66	0.52	1.53	-	297.71
Trade and other payable	50.02	-	18.31	3.33	71.66

Others include currencies such as SGD and GBP.

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Foreign currency sensitivity analysis

For the year ended December 31, 2022 and December 31, 2021, 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 1.74% and 1.18%, respectively.

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.

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:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from top customer	312.09	245.19
Revenue from top 5 customers	1,296.28	999.61

No customer accounted for more than 10% of the revenue for the year ended December 31, 2022 and December 31, 2021. Further, no customer accounted for more than 10% of the receivable as at December 31, 2022 and December 31, 2021.

Investments including bank deposits

Credit risk on bank balances is limited as the Company generally invests in deposits with banks. Investments primarily includes investment in liquid mutual funds having good rating. The Company does not expect any losses from non-performance by the counterparties.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus cash is governed by the Company's investment policy approved by the Board of Directors. The Company believes that the working capital is sufficient to meet its current requirements.

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. As at December 31, 2021, the Company had a working capital of ₹ 2,067.99 million including cash and cash equivalents and current fixed deposits of ₹ 1,194.02 million and current investments of ₹ 132.25 million. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities:

Particulars	(₹ in million)					Total
	As at December 31, 2022					
	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	-	23.16
Lease liabilities	69.83	76.40	78.62	160.06	669.40	1,054.31
Trade payables	67.60	-	-	-	-	67.60
Other financial liabilities	447.26	8.76	-	-	-	456.02
Total	593.30	92.50	83.20	162.69	669.40	1,601.09

Particulars	(₹ in million)					Total
	As at December 31, 2021					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	
Borrowings	4.85	3.83	2.56	0.61	-	11.85
Lease liabilities	48.53	45.78	47.39	99.51	384.00	625.21
Trade payables	69.78	-	-	-	-	69.78
Other financial liabilities	255.27	3.45	-	-	-	258.72
Total	378.43	53.06	49.95	100.12	384.00	965.56

31. 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:

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Total equity attributable to the equity share holders of the Company	3,902.15	3,539.64
As percentage of total capital	86.48%	90.52%
Borrowings (including current maturities)	20.44	10.61
Lease liabilities (including current maturities)	589.80	359.91
Total borrowings and lease liabilities	610.24	370.52
As percentage of total capital	13.52%	9.48%
Total capital (equity, borrowings and lease liabilities)	4,512.39	3,910.16

The Company is predominantly equity financed which is evident from the capital structure table above. Further, the Company has always been a net cash company with surplus cash and bank balances invested in fixed deposit with banks and liquid mutual funds.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

32. Financial Ratios

Ratio/Measure	Numerator	Denominator	Year ended December 31, 2022	Year ended December 31, 2021	% Variance	Reason for variance
a. Current Ratio	Current assets	Current liabilities	3.37	4.11	-18.08%	
b. Debt-Equity Ratio	Total Debt (borrowings + lease liabilities)	Shareholders' equity	15.64%	10.47%	49.40%	Increase in lease liabilities due to new office premises taken on lease
c. Debt Service Coverage Ratio	Earnings available for debt service ¹	Debt service ²	32.46	29.93	8.46%	
d. Return on Equity Ratio (%)	Profit for the year	Average shareholders' equity	30.29%	33.22%	-8.82%	
e. Trade Receivables turnover ratio	Revenue from operations	Average trade receivable	8.07	7.71	4.58%	
f. Trade payables turnover ratio	Adjusted other expenses	Average trade payables	16.02	14.55	10.05%	
g. Net capital turnover ratio	Revenue from operations	Average net working capital	9.28	11.00	-15.64%	
h. Net profit ratio (%)	Profit for the year	Revenue from operations	13.85%	20.04%	-30.91%	Decrease in other income such as dividend received from subsidiaries, interest income, forgiveness of PPP loan etc. and increase in travel and other expenses along with loss due to foreign exchange fluctuations has resulted in decrease in net profit ratio.
i. Return on Capital employed (%)	Earning before interest and taxes	Capital employed ³	30.65%	35.68%	-14.10%	
j. Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Weighted average investments ⁴	4.16%	3.71%	12.10%	

Notes:

- Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- Debt service = Interest & Lease Payments + Principal Repayments
- Capital Employed = Shareholders fund + Total Debt
- Weighted average investment is the weighted average of amount invested in fixed deposits and mutual funds.

33. 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 five principal geographical areas of the world which are: India, North America, South East Asian countries, Europe and Other areas.

Particulars	Information technology services						Business process outsourcing services			Corporate and others			Total			
	December 31, 2022			December 31, 2021			December 31, 2022			December 31, 2021			December 31, 2021			
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2021	
REVENUE																
External sales	6,930.61	4,947.04	1,208.29	827.97											8,138.90	5,775.01
Total revenue	6,930.61	4,947.04	1,208.29	827.97											8,138.90	5,775.01
RESULTS																
Segment results	1,105.86	934.93	358.01	200.96												
Unallocated corporate expenses										(132.37)						
Operating profit															1,331.50	1,040.53
Finance costs										(42.64)					(42.64)	(38.26)
Interest income										34.96					34.96	64.29
Other unallocable income										16.67					16.67	292.37
Tax expense										(213.38)					(213.38)	(201.46)
Profit for the year															1,127.11	1,157.47
Other segment Information																
Depreciation and amortisation	186.59	139.36	7.77	5.66						1.47					1.47	146.49

(₹ in million)

Refer to Note 21 for geography-wise revenue.

Refer to Note 30 on financial risk management for information on revenue from major customers.

NOTES

TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

34. Related Party Disclosures

(i) Names of related parties:

Subsidiaries	<ul style="list-style-type: none"> ▪ R Systems (Singapore) Pte. Ltd., Singapore ▪ R Systems, Inc., USA ▪ R Systems Technologies Limited, USA ▪ R Systems Consulting Services Limited, Singapore ▪ R Systems Computaris International Limited, UK ▪ RSYS Technologies Limited, Canada ▪ IBIZ Consultancy Services India Private Limited, India (refer to Note 4) <p>Following is the subsidiary of R Systems, Inc., USA:</p> <ul style="list-style-type: none"> • Innovizant LLC, USA (merged with R Systems, Inc. USA w.e.f. August 31, 2021) <p>Following are the subsidiaries of R Systems Consulting Services Ltd., Singapore:</p> <ul style="list-style-type: none"> • 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) <p>Following are the subsidiaries of R Systems Computaris International Limited, UK:</p> <ul style="list-style-type: none"> • 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 <p>Following are the subsidiaries of R Systems (Singapore) Pte. Ltd., Singapore:</p> <ul style="list-style-type: none"> • R Systems IBIZCS Pte. Ltd., Singapore with the following step down subsidiaries: <ul style="list-style-type: none"> ➢ IBIZ Consulting Services Pte. Ltd., Singapore ➢ 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) <ul style="list-style-type: none"> - IBIZ Consulting Services (Shanghai) Co., Ltd., People's Republic of China (wholly owned subsidiary of IBIZ HK)
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Names of other related parties with whom transactions have been taken during the year ended December 31, 2022:

Key management personnel	<ul style="list-style-type: none"> a. Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer b. Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director c. Avirag Jain, Director & Chief Technology Officer d. Ruchica Gupta, Non-Executive Independent Director e. Kapil Dhameja, Non-Executive Independent Director f. Aditya Wadhwa, Non-Executive Independent Director g. Nand Sardana, Chief Financial Officer h. Bhasker Dubey, Company Secretary & Compliance Officer
Relatives of Key management Personnel	<ul style="list-style-type: none"> a. Ramneet Singh Rekhi, (related to Dr. Satinder Singh Rekhi) President – R Systems b. Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Chief Operating Officer – R Systems USA Operations c. Kuldeep Baldev Singh [related to Lt. Gen. Baldev Singh (Retd.)] d. Harpreet Rekhi, (related to Dr. Satinder Singh Rekhi) e. Sartaj Singh Rekhi, (related to Dr. Satinder Singh Rekhi) f. Amrita Rekhi, (related to Dr. Satinder Singh Rekhi) g. Anita Behl, (related to Dr. Satinder Singh Rekhi)
Other forming part of promoter or promoter group (not specified above)	<ul style="list-style-type: none"> a. The Satinder and Harpreet Rekhi Family Trust, USA (Trustee: Dr. Satinder Singh Rekhi and Harpreet Rekhi) b. Jagmohan Singh Walia
Person having beneficial shareholding of 20% or more, directly or indirectly	<ul style="list-style-type: none"> a. Bhavook Tripathi

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(ii) Details of transactions with related parties for the year ended December 31, 2022 and December 31, 2021:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from information technology and BPO services rendered to		
R Systems Consulting Services Limited, Singapore	46.91	51.63
R Systems, Inc., USA	53.55	29.12
RSYS Technologies Limited, Canada	152.11	133.11
R Systems (Singapore) Pte. Ltd., Singapore	38.00	7.75
R Systems Computaris Europe SRL, Romania	98.71	86.13
R Systems Computaris International Limited, UK	3.47	-
R Systems IBIZCS Pte. Ltd., Singapore	29.01	18.15
PT. RSYSTEMS IBIZCS International, Indonesia	6.77	6.73
IBIZ Consultancy Services India Private Limited, India	-	0.06
R Systems Consulting Services (Thailand) Co., Ltd., Thailand	2.43	-
Total	430.96	332.68
Sales and support services received from		
RSYS Technologies Limited, Canada	87.12	62.87
R Systems Computaris International Limited, UK	19.00	-
Total	106.12	62.87
Travel and other expenses reimbursed by the Company to		
R Systems Consulting Services Limited, Singapore	-	0.07
RSYS Technologies Limited, Canada	5.45	0.21
R Systems, Inc., USA	35.17	21.83
R Systems (Singapore) Pte. Ltd., Singapore	10.04	8.87
R Systems Computaris International Limited, UK	0.28	-
Total	50.94	30.98
Travel and other expenses reimbursed to the Company by		
R Systems Consulting Services Limited, Singapore	4.07	2.82
R Systems, Inc., USA	6.51	3.92
R Systems (Singapore) Pte. Ltd., Singapore	0.37	0.17
RSYS Technologies Limited, Canada	0.46	0.29
R Systems IBIZCS Pte. Ltd., Singapore	0.25	0.13
R Systems Computaris International Limited, UK	11.88	8.04
R Systems Computaris Europe SRL, Romania	0.24	0.13
Total	23.78	15.50
Purchase of Plant, Property & Equipment from		
IBIZ Consultancy Services India Private Limited, India	0.26	-
Total	0.26	-
Reimbursement to the Company for purchase of assets on behalf of		
R Systems, Inc., USA	-	0.36
Total	-	0.36
Reimbursement by the Company for purchase of assets to		
R Systems, Inc., USA	0.54	0.07
Total	0.54	0.07

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Dividend received from subsidiaries		
IBIZ Consultancy Services India Private Limited, India	3.40	-
R Systems Computaris International Limited, UK	-	172.94
R Systems (Singapore) Pte. Ltd., Singapore	-	65.94
Total	3.40	238.88
Remuneration to key management personnel		
Short term employee benefits	203.03	144.46
Post-employment benefits	0.15	0.19
Other long-term employee benefits	0.53	0.22
Sitting fee to independent directors	1.19	0.81
Total	204.90	145.68
Shares buyback		
The Satinder and Harpreet Rekhi Family Trust, USA	-	25.97
Sartaj Singh Rekhi	-	41.40
Ramneet Singh Rekhi	-	36.04
Dr. Satinder Singh Rekhi	-	16.42
Lt. Gen. Baldev Singh (Retd.)	-	0.02
Harpreet Rekhi	-	11.36
Nand Sardana	-	0.44
Bhavook Tripathi	-	118.66
Total	-	250.31
Dividend Paid		
The Satinder and Harpreet Rekhi Family Trust, USA	76.07	66.99
Sartaj Singh Rekhi	121.40	106.91
Ramneet Singh Rekhi	105.54	92.95
Dr. Satinder Singh Rekhi	48.12	42.38
Mandeep Singh Sodhi	3.09	2.71
Lt. Gen. Baldev Singh (Retd.)	0.05	0.05
Kuldeep Baldev Singh	2.42	2.12
Anita Behl	2.39	2.09
Harpreet Rekhi	33.15	29.19
Amrita Rekhi	0.00*	0.00#
Nand Sardana	1.27	1.12
Avirag Jain	0.00*	0.00#
Jagmohan Singh Walia	8.27	7.25
Bhavook Tripathi	284.96	256.77
Total	686.73	610.53
Amount received from subsidiary under liquidation		
IBIZ Consultancy Services India Private Limited, India	0.62	-
Total	0.62	-
Rent		
Dr. Satinder Singh Rekhi & Harpreet Rekhi	9.28	8.76
Total	9.28	8.76

* Dividend paid to: (a) Amrita Rekhi ₹ 650; (b) Avirag Jain ₹ 650

Dividend paid to: (a) Amrita Rekhi ₹ 570; (b) Avirag Jain ₹ 570

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(iii) Outstanding balances of related parties as at December 31, 2022 and December 31, 2021:

Balance outstanding	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Trade receivables		
R Systems Consulting Services Limited, Singapore	12.35	14.74
R Systems, Inc., USA	5.44	2.44
RSYS Technologies Limited, Canada	19.24	38.14
R Systems (Singapore) Pte. Ltd., Singapore	13.82	1.73
R Systems Computaris Europe SRL, Romania	8.78	17.44
R Systems Computaris International Limited, UK	0.36	-
R Systems IBIZCS Pte. Ltd., Singapore	-	1.30
PT. RSYSTEMS IBIZCS International, Indonesia	0.52	0.92
Total	60.51	76.71
Other current financial assets		
R Systems Consulting Services Limited, Singapore	3.81	0.32
R Systems, Inc., USA	18.85	1.91
RSYS Technologies Limited, Canada	6.91	8.32
R Systems (Singapore) Pte. Ltd., Singapore	3.51	2.48
R Systems Computaris Europe SRL, Romania	7.80	-
R Systems Computaris International Limited, UK	0.38	-
R Systems IBIZCS Pte. Ltd., Singapore	2.61	-
PT. RSYSTEMS IBIZCS International, Indonesia	0.52	-
Total	44.39	13.03
Other current assets		
R Systems Consulting Services (Thailand) Co., Ltd., Thailand	2.43	-
Total	2.43	-
Other current financial liabilities		
R Systems Consulting Services Limited, Singapore	0.04	0.07
R Systems, Inc., USA	12.81	8.39
RSYS Technologies Limited, Canada	31.72	18.31
R Systems (Singapore) Pte. Ltd., Singapore	3.57	3.26
R Systems Computaris International Limited, UK	6.52	-
Total	54.66	30.03
Other current liabilities		
R Systems Computaris International Limited, UK	-	4.12
Total	-	4.12
Assets obtained free of cost on returnable basis		
R Systems, Inc., USA	0.21	2.95
Total	0.21	2.95
Balance payable to key management personnel		
Dr. Satinder Singh Rekhi	21.73	11.15
Lt. Gen. Baldev Singh (Retd.)	2.00	0.87
Avirag Jain	2.90	1.87
Nand Sardana	2.40	1.26
Total	29.03	15.15

The amount outstanding are unsecured and will be settled in cash. No guarantee has been given or received.

35. 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.

Sl. No. Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
A. Total comprehensive income	1,131.48	1,158.18
B. Add:		
(i) Loss on sale / discarding of property, plant and equipment	-	1.10
(ii) Provision for doubtful debts	46.72	-
(iii) Deficit / (Surplus) in profit and loss on measurement of assets/ liabilities at fair value	120.16	3.73
(iv) Tax expense (including tax relating to re-measurements of the defined benefit plans)	215.72	201.88
(v) Depreciation and amortisation expense	195.84	146.49
	578.44	353.20
C. Less:		
(i) Profit on sale/discarding of property, plant and equipment	1.13	-
(ii) Reversal of Provision for Diminishing In Value of Investment	-	10.78
(iii) Depreciation and amortisation expense	195.84	146.49
(iv) Reversal of provision for doubtful debts	-	0.04
(v) Bad debts written off	6.60	1.74
(vi) Gain on Liquidation of Subsidiary	0.15	-
(vii) Interest income on financial instruments measured at amortised cost	1.03	0.84
	204.75	159.89
Net Profit for the year (A+B-C)	1,505.17	1,351.49
D. Add:		
Remuneration paid to the whole time directors	86.36	62.35
E. Net Profit for the purpose of managerial remuneration	1,591.53	1,413.84
Overall maximum remuneration to all managerial personnel at 10% of the net profits as calculated above	159.15	141.38
Overall maximum remuneration to individual managerial personnel at 5% of the net profits as calculated above	79.58	70.69

36. The company has paid interim dividend of ₹ 6.50/- per equity share of face value of ₹ 1/- each aggregating to ₹ 768.97 million on June 30, 2022.

During the year ended December 31, 2021, the Company paid two interim dividends of ₹ 2.5/- per equity share and ₹ 3.20/- per equity share of face value of ₹ 1/- each, aggregating to ₹ 677.66 million.

37. In the year ended December 31, 2020, the Company had obtained a forgivable loan of ₹ 31.76 million (USD 431,700) under Paycheck Protection Program (PPP) by Small Business Administration, United States of America ("SBA").

During the year ended December 31, 2021, the Company received the forgiveness of the entire loan amount upon satisfaction of the underlying conditions. Consequently, the amount of loan forgiven was recognized as income and presented under the head other income.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

38. During the year ended December 31, 2021 the Company has reversed the provision recorded in earlier years towards diminution in the value of investment amounting to ₹ 10.78 million for R Systems Technologies Limited, USA considering its net worth exceeds the investment amount and its future business plan.
39. BCP Asia II Topco II Pte. Ltd. along with Blackstone Capital Partners Asia II L.P., private equity funds managed by Blackstone ("Blackstone") have signed definitive agreements ("Agreement") with the promoter and promoter group of R Systems International Limited ("R Systems") to purchase up to their entire stake i.e. 51.67% in the Company on the terms and conditions set out in the Agreement including Blackstone to complete a conditional delisting cum open offer to acquire remaining stake from the public shareholders ("Transaction").
- The Transaction is expected to be completed in the coming months, subject to necessary closing conditions and regulatory approvals.
40. The financial statements have been approved by the Board of Directors at its meeting held on February 13, 2023.

For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED

DR. SATINDER SINGH REKHI
Managing Director &
Chief Executive Officer
DIN: 00006955

Place : NOIDA
Date : February 13, 2023

LT. GEN. BALDEV SINGH (RETD.)
President & Senior Executive
Director
DIN: 00006966

Place : NOIDA
Date : February 13, 2023

NAND SARDANA
Chief Financial Officer

Place : NOIDA
Date : February 13, 2023

BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : NOIDA
Date : February 13, 2023

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S 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 comprise the Consolidated Balance Sheet as at 31 December, 2022, 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 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, 2022, 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 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 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 Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report and Risk Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

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, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

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

Management's Responsibility 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 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 are

responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's 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 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.

Other Matters

We did not audit the financial statements of 23 subsidiaries whose financial statements reflect total assets of ₹ 2,551.86 million as at 31 December, 2022, total revenues of ₹ 4,655.63 million, total net profit after tax of ₹ 238.40 million, total comprehensive income of ₹ 242.10 million and net cash inflows of ₹ 20.04 million for the year ended on that date, as considered in the consolidated financial statements. 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 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, returns 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 company incorporated in India as on 31 December, 2022 taken on record by the Board of Directors of the Parent and its subsidiary company incorporated in India none of the directors of the Group companies incorporated in India is disqualified as on 31 December, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.

- 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 Parent 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) 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 Managements of the Parent has represented to us 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Managements of the Parent has represented that, to the best of their

knowledge and belief, no funds have been received by the Parent from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent 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 Parent and the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or 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 Parent during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

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 audit report under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Parent, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For Deloitte Haskins & Sells LLP
Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner

(Membership No.87104)

Place: Noida

Date: 13 February, 2023

UDIN: 23087104BGYKVR4669

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 Over Financial Reporting 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, 2022, we have audited the internal financial controls over financial reporting of the Parent as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent 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 Parent’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 over financial reporting of the Parent 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 the Parent, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 December, 2022,

based on the criteria for internal financial control over financial reporting established by the Parent 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

Place: Noida

Date: 13 February, 2023

(Membership No.87104)

UDIN: 23087104BGYKVR4669

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2022

Particulars	Note No.	(₹ in million)	
		As at December 31, 2022	As at December 31, 2021
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3 (a)	705.95	583.58
(b) Capital work in progress	3 (b)	25.38	-
(c) Investment property	3 (c)	17.43	18.90
(d) Right-of-use assets	3 (d)	692.40	528.30
(e) Goodwill	3 (e)	108.62	97.54
(f) Other intangible assets	3 (f)	31.39	39.19
(g) Financial assets			
(i) Investments	4	0.03	0.03
(ii) Other financial assets	5	65.57	88.64
(h) Deferred tax assets (net)	27	219.87	174.08
(i) Non-current tax assets (net)		53.46	22.59
(j) Other non-current assets	6	108.91	12.78
Total non-current assets (A)		2,029.01	1,565.63
B. Current assets			
(a) Financial assets			
(i) Investments	4	138.65	132.25
(ii) Trade receivables	7	2,570.88	1,779.76
(iii) Cash and cash equivalents	8a	2,062.30	2,043.68
(iv) Bank balances other than cash and cash equivalents	8b	242.90	235.99
(v) Other financial assets	9	911.08	899.89
(b) Other current assets	10	375.67	266.12
Total current assets (B)		6,301.48	5,357.69
Total assets (A+B)		8,330.49	6,923.32
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11	118.31	118.31
(b) Other equity	12	5,336.39	4,484.65
Total equity attributable to equity shareholders of the Company		5,454.70	4,602.96
Non controlling interests		-	-
Total equity (A)		5,454.70	4,602.96
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	13.23	6.46
(ii) Lease liabilities	14	666.11	480.83
(iii) Other financial liabilities	15	8.76	3.45
(b) Provisions	16	207.95	193.98
Total non-current liabilities (B)		896.05	684.72
C. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	7.21	4.15
(ii) Lease liabilities	14	84.69	85.87
(iii) Trade payables	17	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		355.87	360.82
(iv) Other financial liabilities	18	588.72	413.95
(b) Other current liabilities	19	589.38	451.45
(c) Provisions	20	303.70	253.95
(d) Current tax liability (net)		50.17	65.45
Total current liabilities (C)		1,979.74	1,635.64
Total liabilities (B+C)		2,875.79	2,320.36
Total equity and liabilities (A+B+C)		8,330.49	6,923.32

Notes forming integral part of the consolidated financial statements

1-41

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED

Chartered Accountants

JITENDRA AGARWALPartner
Membership No. 87104

Place : NOIDA

Date : February 13, 2023

DR. SATINDER SINGH REKHIManaging Director &
Chief Executive Officer
DIN: 00006955

Place : NOIDA

Date : February 13, 2023

LT. GEN. BALDEV SINGH (RETD.)President & Senior Executive
Director
DIN: 00006966

Place : NOIDA

Date : February 13, 2023

NAND SARDANA

Chief Financial Officer

Place : NOIDA

Date : February 13, 2023

BHASKER DUBEYCompany Secretary &
Compliance Officer

Place : NOIDA

Date : February 13, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	Note No.	(₹ in million, except per share data)	
		Year ended December 31, 2022	Year ended December 31, 2021
A Income			
(i) Revenue from operations	21	15,158.31	11,556.39
(ii) Other income	22	102.89	418.96
Total income		15,261.20	11,975.35
B Expenses			
(i) Employee benefits expense	23	10,194.05	7,798.25
(ii) Finance costs	24	48.98	49.12
(iii) Depreciation and amortisation expense	25	349.78	276.93
(iv) Other expenses	26	2,966.82	2,150.33
Total expenses		13,559.63	10,274.63
C Profit before tax (A-B)		1,701.57	1,700.72
D Tax expense			
(i) Current tax	27	387.19	327.63
(ii) Deferred tax		(82.43)	(41.27)
Total tax expense		304.76	286.36
E Profit for the year (C-D)		1,396.81	1,414.36
F Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		6.72	1.31
Deferred tax relating to re-measurements of the defined benefit plans		(2.35)	(0.42)
Items that will be reclassified to profit or loss			
Foreign currency translation reserve		219.52	(33.08)
Total other comprehensive income / (loss)		223.89	(32.19)
G Total comprehensive income for the year (E+F)		1,620.70	1,382.17
H Profit attributable to			
Equity shareholders of the company		1,396.81	1,414.36
Non controlling interest		-	-
		1,396.81	1,414.36
I Total comprehensive income attributable to			
Equity shareholders of the company		1,620.70	1,382.17
Non controlling interest		-	-
		1,620.70	1,382.17
J Earnings per share (EPS)			
Equity share of par value of ₹ 1/- each	28		
Basic and diluted		11.81	11.85

Notes forming integral part of the consolidated financial statement

1-41

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED

Chartered Accountants

JITENDRA AGARWALPartner
Membership No. 87104

Place : NOIDA

Date : February 13, 2023

DR. SATINDER SINGH REKHIManaging Director &
Chief Executive Officer
DIN: 00006955

Place : NOIDA

Date : February 13, 2023

LT. GEN. BALDEV SINGH (RETD.)President & Senior Executive
Director
DIN: 00006966

Place : NOIDA

Date : February 13, 2023

NAND SARDANA

Chief Financial Officer

Place : NOIDA

Date : February 13, 2023

BHASKER DUBEYCompany Secretary &
Compliance Officer

Place : NOIDA

Date : February 13, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
A. Cash flows from operating activities		
Profit for the year	1,396.81	1,414.36
Adjustments for:		
Tax expense	304.76	286.36
Depreciation and amortisation expense	349.78	276.93
Provision / (Reversal) for doubtful debts (net)	50.84	(4.82)
Advance written off	1.03	-
Unrealised foreign exchange loss / (gain)	(22.40)	1.00
Unrealised loss / (gain) on derivative instruments	149.87	2.85
Interest income	(40.45)	(66.85)
Rental income from investment property	(6.72)	(6.72)
Net gain arising on financial assets measured at FVTPL	(6.40)	(4.23)
Loss / (Profit) on sale / disposal of property, plant and equipment (net)	(3.28)	2.18
Loss / (Profit) on cancellation of leases (net)	(0.20)	0.11
Forgiveness of PPP Loan (refer to Note 38)	-	(224.04)
Lease rent concession (refer to Note 14)	(7.47)	(15.11)
Other fair value gain on contingent consideration (refer to Note 35)	(25.79)	-
Interest expenses on fair value of contingent consideration (refer to Note 35)	0.77	4.65
Interest expenses other	48.21	44.47
Operating profit before working capital changes	2,189.36	1,711.14
Movements in working capital :		
(Increase) / Decrease in trade receivables	(717.39)	(482.29)
(Increase) / Decrease in other assets	(344.96)	(321.22)
Increase / (Decrease) in provisions	62.18	50.92
Increase / (Decrease) in trade payables and other liabilities	169.55	193.91
Cash generated from operations	1,358.74	1,152.46
Direct taxes paid, net of refunds	(394.88)	(284.10)
Interest on income-tax refund	-	4.79
Net cash from operating activities (A)	963.86	873.15
B. Cash flows from / (used in) investing activities		
Purchase of property, plant and equipment	(348.36)	(278.96)
Purchase of intangible assets	(10.60)	(1.63)
Proceeds from sale of property, plant and equipment	5.91	3.01
Payment of contingent consideration to erstwhile shareholders of subsidiary (refer to Note 35)	(27.46)	-
Amount paid for business acquisition in Thailand (refer to Note 36)	-	(6.99)
Proceeds from / (Investment in) fixed deposits (net)	115.60	421.93
Interest received	44.48	67.81
Rental income from investment property	6.72	6.72
Net cash from / (used in) investing activities (B)	(213.71)	211.89

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
C. Cash flows used in financing activities		
Proceeds from borrowings	15.32	7.87
Repayment of borrowings	(5.49)	(5.37)
Proceeds from / (Investment in) margin money deposits	14.84	(4.43)
Payment of lease liabilities (refer to Note 14)	(118.54)	(107.01)
Interest paid	(1.16)	(2.77)
Interim dividend paid (refer to Note 37)	(768.97)	(677.66)
Buy-back of equity shares (including tax) [refer to Note 11(d)(iii)]	-	(369.80)
Net cash used in financing activities (C)	(864.00)	(1,159.17)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(113.85)	(74.13)
Add: Cash and cash equivalents at the beginning of the year	2,043.68	2,135.84
Add: Effect of exchange rate changes on cash and cash equivalents held in foreign currency	132.47	(18.03)
Cash and cash equivalents at the end of the year (refer to Note 8a)	2,062.30	2,043.68

Notes forming integral part of the consolidated financial statements 1-41

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED
Chartered Accountants**JITENDRA AGARWAL**
Partner
Membership No. 87104**DR. SATINDER SINGH REKHI**
Managing Director &
Chief Executive Officer
DIN: 00006955**LT. GEN. BALDEV SINGH (RETD.)**
President & Senior Executive
Director
DIN: 00006966**NAND SARDANA**
Chief Financial Officer**BHASKER DUBEY**
Company Secretary &
Compliance OfficerPlace : NOIDA
Date : February 13, 2023Place : NOIDA
Date : February 13, 2023Place : NOIDA
Date : February 13, 2023Place : NOIDA
Date : February 13, 2023Place : NOIDA
Date : February 13, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

A. Equity share capital

(₹ 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

Balance as at January 01, 2021	Changes in equity share capital during the year *	Balance as at December 31, 2021
119.64	(1.33)	118.31

***Changes in equity share capital during the year**

(₹ in million)

Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	8.83
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	(8.83)
Buy-back of shares [refer to Note 11(d)(iii)]	(1.33)
	(1.33)

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	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at January 01, 2022	(0.34)	0.03	-	5.02	-	4,164.18	315.76	4,484.65
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 37)	-	-	-	-	-	(768.97)	-	(768.97)
Balance as at December 31, 2022	(0.34)	0.03	-	5.02	-	4,796.39	535.28	5,336.39
Balance as at January 01, 2021	(0.34)	0.03	46.66	3.69	155.04	3,594.69	348.84	4,148.61
Profit for the year	-	-	-	-	-	1,414.36	-	1,414.36
Other comprehensive income / (loss) for the year	-	-	-	-	-	0.89	(33.08)	(32.19)
Interim dividend paid (refer to Note 37)	-	-	-	-	-	(677.66)	-	(677.66)
Buy-back of shares [refer to Note 11(d)(iii)]	-	-	(46.66)	1.33	(155.04)	(98.23)	-	(298.60)
Tax on buy-back [refer to Note 11(d)(iii)]	-	-	-	-	-	(69.87)	-	(69.87)
Balance as at December 31, 2021	(0.34)	0.03	-	5.02	-	4,164.18	315.76	4,484.65

Gain of ₹ 4.37 million and ₹ 0.89 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the years ended December 31, 2022 and 2021, respectively.

Notes forming integral part of the consolidated financial statements 1-41

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED

Chartered Accountants

JITENDRA AGARWALPartner
Membership No. 87104

Place : NOIDA

Date : February 13, 2023

DR. SATINDER SINGH REKHIManaging Director &
Chief Executive Officer
DIN: 00006955

Place : NOIDA

Date : February 13, 2023

LT. GEN. BALDEV SINGH (RETD.)President & Senior Executive
Director
DIN: 00006966

Place : NOIDA

Date : February 13, 2023

NAND SARDANA

Chief Financial Officer

Place : NOIDA

Date : February 13, 2023

BHASKER DUBEYCompany Secretary &
Compliance Officer

Place : NOIDA

Date : February 13, 2023

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. Organisation and nature of operations

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 along with knowledge services. The Group delivers its services and solutions to leading technology companies and businesses to enable their digital transformation. The Group's services and solutions span over five major business verticals i.e. Technology, Telecom, Healthcare and Life Science, Finance and Insurance, and Retail & e-commerce.

The Company has following subsidiaries:-

Name	Holding as at		Country of incorporation and other particulars
	December 31, 2022	December 31, 2021	
R Systems, Inc., USA (refer to Note a below)	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 b below)	-	100%	A company registered under the laws of India in 2008 and subsidiary of the Company since April 30, 2015.

- R Systems Inc., USA held 100% membership interest in Innovizant, LLC w.e.f. January 1, 2019. Effective August 31, 2021, Innovizant, LLC has been merged with R Systems Inc.
- During the 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. Subsequent to the year ended December 31, 2022, the application for approving the voluntary liquidation and dissolution of IBIZ India, along with the final report of the liquidator, has been filed with the Hon'ble National Company Law Tribunal, New Delhi.

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

Name	Holding as at		Country of incorporation
	December 31, 2022	December 31, 2021	
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%	-	Vietnam

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

Name	Holding as at		Country of incorporation
	December 31, 2022	December 31, 2021	
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, 2022	December 31, 2021	
IBIZ Consulting Services Pte. Ltd.	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, 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 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

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

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 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 of fixed assets and 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 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. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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 up to
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.

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.

(g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date

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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 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.

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.

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(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

- 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.

- 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.

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, vehicle 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.

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.

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

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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 are 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 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, 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.

For translating income, expense and cash flows items, during the year ended December 31, 2021, the rates used were US \$ 1= ₹ 73.83, Euro 1= ₹ 87.32, Singapore \$ 1 = ₹ 54.93 and Canadian \$ 1 = ₹ 58.89. For translating assets and liabilities at the year-end, the rates used were US \$ 1= ₹ 74.34, Euro 1= ₹ 84.22, Singapore \$ 1 = ₹ 55.10 and Canadian \$ 1 = ₹ 58.45.

(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.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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 and investment 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 for its employees covered under Group 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 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 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.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(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.

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.

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.

(u) 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.

(v) 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.

(w) 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.

(x) 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.

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. 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 fair value of contingent consideration and intangible assets.

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.

New standards, interpretations and amendments not yet adopted

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. These amendments are applicable to the Group for the financial year starting January 01, 2023. The Group does not expect the amendment to have any significant impact in its financial statements.

a. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

b. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

c. Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

d. Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

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3 (a). Property, plant and equipment

Particulars	Buildings and leasehold improvements	Plant and equipment	Electric installation	Furniture and fittings	Computer hardware	Vehicles'	Office equipment	Total
At cost								
Gross Block								
As at January 01, 2021	112.29	57.25	20.61	111.77	802.03	82.97	58.55	1,245.47
Addition through Acquisitions (refer to Note 36)	-	-	-	-	0.21	-	-	0.21
Additions	31.43	-	-	14.03	212.91	11.76	3.78	273.91
Deletions	(3.43)	(1.72)	(0.22)	(2.92)	(21.10)	(6.03)	(0.66)	(36.08)
Foreign currency translation difference	(1.44)	-	-	(1.29)	(4.05)	0.21	(0.16)	(6.73)
As at December 31, 2021	138.85	55.53	20.39	121.59	990.00	88.91	61.51	1,476.78
Additions	2.25	4.28	-	2.62	261.99	51.12	8.34	330.60
Deletions	-	-	-	(0.08)	(19.91)	(23.21)	(3.14)	(46.34)
Foreign currency translation difference	3.41	-	0.02	2.97	24.21	1.67	1.60	33.88
As at December 31, 2022	144.51	59.81	20.41	127.10	1,256.29	118.49	68.31	1,794.92
Accumulated Depreciation								
As at January 01, 2021	59.20	34.59	18.95	98.15	472.66	42.24	48.01	773.80
Charge for the year	6.17	3.65	0.29	3.63	126.44	8.38	4.92	153.48
Deletions	(2.21)	(1.72)	(0.22)	(1.75)	(20.29)	(3.74)	(0.64)	(30.57)
Foreign currency translation difference	(0.23)	-	-	(0.37)	(2.97)	0.21	(0.15)	(3.51)
As at December 31, 2021	62.93	36.52	19.02	99.66	575.84	47.09	52.14	893.20
Charge for the year	10.59	2.78	0.28	5.03	181.16	11.18	5.03	216.05
Deletions	-	-	-	(0.07)	(18.60)	(21.86)	(3.12)	(43.65)
Foreign currency translation difference	2.36	-	0.02	2.28	16.57	0.84	1.30	23.37
As at December 31, 2022	75.88	39.30	19.32	106.90	754.97	37.25	55.35	1,088.97
Net Block								
As at December 31, 2021	75.92	19.01	1.37	21.93	414.16	41.82	9.37	583.58
As at December 31, 2022	68.63	20.51	1.09	20.20	501.32	81.24	12.96	705.95

Notes:

(1) Gross block of vehicles amounting to ₹ 37.19 million (as at December 31, 2021 : ₹ 21.69 million) are hypothecated against terms loans for vehicle financed from a non-banking financial company.

(2) Capital commitments:

Particulars	As at December 31, 2022	As at December 31, 2021
Estimated amount of unexecuted capital contracts (A)	18.24	35.91
Capital advances (B)	16.07	4.97
Net capital commitment (A-B)	2.17	30.94

3 (b). Capital work in progress ageing schedule

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, 2022	25.38	-	-	-	25.38
As at December 31, 2021	-	-	-	-	-

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

Particulars	As at December 31, 2022	As at December 31, 2021
Cost of land and building given on operating lease		
Balance at beginning of the year	35.96	35.96
Additions	-	-
Balance at the end of year	35.96	35.96
Accumulated depreciation		
Balance at beginning of the year	17.06	15.59
Charge for the year	1.47	1.47
Balance at the end of year	18.53	17.06
Net block	17.43	18.90

Measurement of fair values

Investment property consists of land and building situated at Pune, India and is accounted at cost. The Company has estimated that the fair value of investment property as at December 31, 2022 was ₹ 99.73 million (Previous year: ₹ 92.86 million). The estimated fair value 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

Particulars	Land Leasehold	Building	Vehicles	Computer hardware	Furniture and fittings	Computer software	Total
Gross Block							
As at January 01, 2021	19.99	469.18	3.58	17.93	63.00	2.80	576.48
Additions	-	129.76	-	-	-	-	129.76
Modification of lease	-	56.71	-	-	-	-	56.71
Retirement on completion/termination of lease	-	(44.62)	-	-	-	-	(44.62)
Foreign currency translation difference	-	(9.74)	-	(1.30)	-	(0.22)	(11.26)
As at December 31, 2021	19.99	601.29	3.58	16.63	63.00	2.58	707.07
Additions	-	220.84	-	-	49.42	-	270.26
Modification of lease	-	0.79	-	-	(1.93)	-	(1.14)
Retirement on completion/termination of lease	(4.69)	(28.91)	(3.58)	-	-	-	(37.18)
Foreign currency translation difference	-	15.58	-	0.76	-	0.13	16.47
As at December 31, 2022	15.30	809.59	-	17.39	110.49	2.71	955.48
Accumulated Depreciation							
As at January 01, 2021	5.36	82.36	1.16	4.72	11.34	1.12	106.06
Charge for the year	1.97	87.48	1.16	4.09	6.33	0.97	102.00
Retirement on completion/termination of lease	-	(26.38)	-	-	-	-	(26.38)
Foreign currency translation difference	-	(2.27)	-	(0.51)	-	(0.13)	(2.91)
As at December 31, 2021	7.33	141.19	2.32	8.30	17.67	1.96	178.77
Charge for the year	1.06	96.67	0.77	4.14	7.77	0.60	111.01
Retirement on completion/termination of lease	(4.41)	(28.91)	(3.09)	-	-	-	(36.41)
Foreign currency translation difference	-	8.93	-	0.64	-	0.14	9.71
As at December 31, 2022	3.98	217.88	-	13.08	25.44	2.70	263.08
Net Block							
As at December 31, 2021	12.66	460.10	1.26	8.33	45.33	0.62	528.30
As at December 31, 2022	11.32	591.71	-	4.31	85.05	0.01	692.40

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3 (e). Goodwill

Particulars	(₹ in million)	
		Total
As at January 01, 2021		97.24
Addition through Acquisitions (refer to Note 36)		1.03
Foreign currency translation difference		(0.73)
As at December 31, 2021		97.54
Foreign currency translation difference		11.08
As at December 31, 2022		108.62

3 (f). Other intangible assets

Particulars	(₹ in million)			
	Software	Non-compete	Customer contract	Total
At cost				
Gross Block				
As at January 01, 2021	139.73	160.48	21.02	321.23
Addition through Acquisitions (refer to Note 36)	2.54	2.54	2.95	8.03
Additions	1.63	-	-	1.63
Deletions	(5.96)	(88.62)	-	(94.58)
Foreign currency translation difference	(2.17)	1.15	(1.40)	(2.42)
As at December 31, 2021	135.77	75.55	22.57	233.89
Additions	10.60	-	-	10.60
Deletions	(5.79)	-	-	(5.79)
Foreign currency translation difference	6.40	8.42	1.13	15.95
As at December 31, 2022	146.98	83.97	23.70	254.65
Accumulated amortisation				
As at January 01, 2021	133.72	117.37	21.02	272.11
Charge for the year	4.13	14.77	1.08	19.98
Deletions	(5.87)	(88.62)	-	(94.49)
Foreign currency translation difference	(2.16)	0.59	(1.33)	(2.90)
As at December 31, 2021	129.82	44.11	20.77	194.70
Charge for the year	4.84	15.92	0.49	21.25
Deletions	(5.79)	-	-	(5.79)
Foreign currency translation difference	6.23	5.84	1.03	13.10
As at December 31, 2022	135.10	65.87	22.29	223.26
Net Block				
As at December 31, 2021	5.95	31.44	1.80	39.19
As at December 31, 2022	11.88	18.10	1.41	31.39

4. Investments

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
A. Non-current investments		
Unquoted investments (fully paid), measured at FVTPL		
Investment in Saraswat Co-operative Bank Ltd		
2,500 (previous year 2,500) shares of ₹ 10 each fully paid up	0.03	0.03
Total investments measured at FVTPL	0.03	0.03
Aggregate carrying value of Non-current unquoted investments	0.03	0.03
B. Current investments		
Unquoted investments in mutual funds, measured at FVTPL		
9,139 (previous year 9,139) units of SBI Premier Liquid Fund	31.43	30.00
7,277 (previous year 7,277) units of HDFC Liquid Fund	31.38	29.96
115,669 (previous year 115,669) units of ICICI Prudential Liquid Fund	37.90	36.14
15,428 (previous year 15,428) units of Axis Liquid Fund	37.94	36.15
Total investments in mutual funds	138.65	132.25
Total current investments (unquoted)	138.65	132.25

5. Other non-current financial assets

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Unsecured, considered good		
Security deposits	34.96	40.79
Margin money deposits (refer to Note 8b)	30.20	47.68
Interest accrued on bank deposits	0.36	0.10
Staff advance	0.05	0.07
	65.57	88.64

6. Other non-current assets

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Unsecured, considered good		
Capital advances	16.07	4.97
Prepaid expenses	92.84	7.81
	108.91	12.78

7. Trade receivables (Unsecured)

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Considered good	2,570.88	1,779.76
Credit impaired	65.17	19.02
Less: Allowance for doubtful debts (expected credit loss allowance)	(65.17)	(19.02)
	2,570.88	1,779.76

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(₹ 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	
As at December 31, 2022							
Undisputed, considered good	1,738.34	827.06	4.36	1.12	-	-	2,570.88
Undisputed, credit impaired	-	19.86	28.09	11.49	0.69	3.47	63.60
Disputed, credit impaired	-	-	1.57	-	-	-	1.57
As at December 31, 2021							
Undisputed, considered good	1,345.85	424.28	9.63	-	-	-	1,779.76
Undisputed, credit impaired	-	0.61	4.30	4.15	2.91	6.66	18.63
Disputed, credit impaired	-	0.39	-	-	-	-	0.39

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			
	Not due-90 days	90-180 days	180-365 days	More than 365 days*
Default rate as at December 31, 2022	0.00% - 0.23%	0.07% - 0.74%	0.17% - 2.00%	2.00%
Default rate as at December 31, 2021	0.00% - 0.43%	0.11% - 1.24%	0.35% - 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 December 31, 2022	Year ended December 31, 2021
Balance at the beginning of the year	19.02	28.93
Provision / (Reversal) for doubtful debts (net)	50.84	(4.82)
Bad debts written off	(9.46)	(5.11)
Effect of foreign exchange fluctuation / translation	4.77	0.02
Balance at the end of the year	65.17	19.02

8a. Cash and cash equivalents

(₹ in million)

Particulars	As at December 31, 2022	As at December 31, 2021
(a) Cash on hand	0.89	1.21
(b) Balances with scheduled banks		
(i) in current accounts	37.69	101.94
(ii) in EEFC accounts	173.97	111.08
(iii) in deposit accounts with original maturity of less than 3 months	525.66	253.77
(c) Balances with other banks		
(i) in current accounts	1,083.65	1,511.97
(ii) in deposit accounts with original maturity of less than 3 months	240.44	63.71
Cash and cash equivalents	2,062.30	2,043.68

8b. Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at December 31, 2022	As at December 31, 2021
(a) In other deposit accounts		
(i) original maturity more than 12 months	232.12	337.76
(ii) original maturity more than 3 months but less than 12 months	240.34	234.17
(iii) held as margin money	30.20	47.68
Deposits with banks	502.66	619.61
Less: Bank deposits with original maturity of more than 12 months disclosed under Note 9	(232.12)	(337.76)
Less: Margin money deposit disclosed under Note 5	(30.20)	(47.68)
	240.34	234.17
(b) Balances with scheduled banks		
(i) in unclaimed dividend accounts	2.56	1.82
Bank balances other than cash and cash equivalents	242.90	235.99

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, 2022	As at December 31, 2021
A	Cash on Hand	0.89	1.21
	Balances with scheduled banks		
B	In current accounts		
1	ICICI Bank Limited	31.23	96.80
2	HDFC Bank Limited	0.14	1.13
3	Punjab National Bank	-	0.43
4	Axis Bank Limited	6.32	3.58
		37.69	101.94
C	In cash credit / overdraft account*		
1	Axis Bank Limited	-	-
2	ICICI Bank Limited	-	-
		-	-
D	In EEFC accounts		
1	ICICI Bank Limited	32.94	48.84
2	Axis Bank Limited	141.03	62.24
		173.97	111.08
E	In deposit accounts		
1	State Bank of India	5.34	57.91
2	ICICI Bank Limited	11.21	291.09
3	Axis Bank Limited	749.19	405.88
4	Punjab National Bank	-	32.46
5	HDFC Bank Limited	-	67.58
		765.74	854.92

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(₹ in million)

S. No.	Particulars	As at December 31, 2022	As at December 31, 2021
F	In unclaimed dividend accounts		
1	HDFC Bank Limited	0.74	1.82
2	ICICI Bank Limited	1.82	0.00
		2.56	1.82
	Balance with other banks		
G	In current accounts		
1	California Bank & Trust	271.57	786.64
2	JP Morgan Chase Bank, N.A.	6.33	7.07
3	OCBC Bank	92.98	97.46
4	DBS Bank Ltd	127.89	108.71
5	Malayan Banking Berhad	102.89	75.73
6	Hang Seng Bank Limited	6.99	7.84
7	Siam Commercial Bank	62.42	60.33
8	Bank of China	21.35	19.49
9	Sumitomo Mitsui Banking Corporation	0.14	0.31
10	Mizuho Bank Ltd.	0.95	0.61
11	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	0.75	0.56
12	Natwest Bank	101.78	74.78
13	Santander Bank Polska S.A.	50.23	68.54
14	Mobiasbanca - Groupe Societe Generale SA	12.26	3.12
15	BRD Groupe Societe Generale SA	105.63	93.65
16	CIMB Bank BHD	7.50	8.79
17	Royal Bank of Canada	53.53	57.77
18	ING Bank N.V. Amsterdam	2.08	0.26
19	Trezorerie, Romania	0.09	4.06
20	PT Bank Permata Tbk	19.39	20.93
21	PT Bank DBS Indonesia	24.64	5.56
22	DBS Bank (China) Ltd.	18.35	18.52
23	DBS Bank (Hong Kong) Limited	8.12	-
24	Credit Suisse	3.36	1.85
25	BDO Unibank Inc.	2.65	9.58
		1,103.87	1,532.16
H	In deposit accounts		
1	Mobiasbanca - Groupe Societe Generale SA	0.69	0.67
2	BRD Groupe Societe Generale SA	31.13	29.37
3	BDO Unibank Inc.	0.38	0.34
4	Natwest Bank	16.47	14.85
5	DBS Bank Ltd.	1.23	1.10
6	PT Bank DBS Indonesia	15.97	15.65
7	Bridgewater Bk Saint Louis Park, MN	19.85	-
8	Truist Bank Fka 88 & T Charlotte, NC	19.86	-
9	Firs T Foundation Bank Irvine, CA	19.85	-
10	Independent Sank Grand Rapids, MI	19.86	-

(₹ in million)

S. No.	Particulars	As at December 31, 2022	As at December 31, 2021
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	-
		482.80	61.98
	Total Cash and bank balances	2,567.52	2,665.11
	Cash and cash equivalents (refer to Note 8a)	2,062.30	2,043.68
	Deposits with banks (refer to Note 8b)	502.66	619.61
	Balance in unclaimed dividend accounts (refer to Note 8b)	2.56	1.82
	Total Cash and bank balances	2,567.52	2,665.11

* 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 property excluding vehicles.

9. Other current financial assets

(₹ in million)

Particulars	As at December 31, 2022	As at December 31, 2021
Staff advance	9.30	6.04
Unbilled revenue (refer to Note 21)	635.51	461.83
Security deposits	10.51	5.91
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	232.12	337.76
Mark-to-market gain on derivative instruments (refer to Note 30)	-	51.81
Interest accrued on bank deposits	1.69	6.89
Others	21.95	29.65
	911.08	899.89

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

10. Other current assets

(₹ in million)

Particulars	As at	As at
	December 31, 2022	December 31, 2021
Balance with indirect tax authorities	68.68	36.86
VAT recoverable	5.38	2.20
Unbilled revenue (refer to Note 21)	70.86	66.74
Prepaid expenses	220.59	150.82
Advance to vendors	6.99	9.17
Tour and travel advance	3.17	0.33
	375.67	266.12

11. Equity share capital

(₹ in million)

Particulars	As at	As at
	December 31, 2022	December 31, 2021
Authorised		
206,000,000 (December 31, 2021: 206,000,000) equity shares of ₹ 1 each	206.00	206.00
Issued, subscribed and fully paid up		
118,303,445 (December 31, 2021: 118,303,445) equity shares of ₹ 1 each	118.31	118.31
	118.31	118.31

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, 2022		Year ended December 31, 2021	
	Number of shares	₹ in million	Number of shares	₹ in million
At the beginning of the year	118,303,445	118.31	119,636,445	119.64
Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note d((i) below)]		-	8,828,489	8.83
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to d((i) below)]		-	(8,828,489)	(8.83)
Buy-back of shares [refer to Note (d)(iii) below]		-	(1,333,000)	(1.33)
Outstanding at the closing of the year	118,303,445	118.31	118,303,445	118.31

(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 / ultimate holding company and / or their subsidiaries / associates:

The Company does not have any holding / 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 issued pursuant to merger of GM Solutions Private Limited:

Pursuant to the scheme of amalgamation approved by Hon'ble National Company Law Tribunal, New Delhi vide order dated December 07, 2018 between GM Solutions Private Limited (GM Solutions) and the Company and their respective shareholders and creditors, 29,746,353 fully paid equity shares of the face value of ₹ 1/- each of the Company were issued and allotted to the equity shareholders of GM Solutions in the proportion of their respective equity shareholding in GM Solutions and equivalent number of shares of the Company as held by GM Solutions were cancelled and extinguished.

(iii) 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. Further, the Company has apportioned ₹ 69.87 million out of retained earnings towards tax on aforesaid buy-back.

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, 2022		As at December 31, 2021	
	No. of shares held	% of Holding	No. of shares held	% of Holding
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi and Harpreet Rekhi)	11,702,623	9.89	11,702,623	9.89
Dr. Satinder Singh Rekhi	7,403,456	6.26	7,403,456	6.26
Sartaj Singh Rekhi	18,676,248	15.79	18,676,248	15.79
Ramneet Singh Rekhi	16,236,331	13.72	16,236,331	13.72
Bhavook Tripathi	42,038,395	35.53	42,038,375	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.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(f) Shareholding of promoters and promoters group of the Company

Particulars	As at December 31, 2022		Percentage change during the year ended December 31, 2022
	No. of shares held	% of Holding	
Promoters:			
Dr. Satinder Singh Rekhi	7,403,456	6.26	-
Harpreet Rekhi	5,099,389	4.31	-
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi and Harpreet Rekhi)	11,702,623	9.89	-
Promoters group:			
Sartaj Singh Rekhi	18,676,248	15.79	-
Ramneet Singh Rekhi	16,236,331	13.72	-
Jagmohan Singh Walia	1,272,389	1.08	-
Kuldeep Baldev Singh	371,908	0.31	-
Anita Behl	367,525	0.31	-
Amrita Rekhi	100	0.00	-

12. Other equity

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
a. Capital reserve under common control	(0.34)	(0.34)
Capital reserve under common control represent reserves recorded upon business transfer under common control.		
b. Capital reserve other	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		
c. Capital redemption reserve	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.		
d. Retained earnings	4,796.39	4,164.18
Retained earnings comprises the Company's undistributed earnings after taxes.		
e. Other comprehensive income		
Foreign currency translation reserve	535.28	315.76
Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
Other equity	5,336.39	4,484.65

Note:

Year-wise movement of the individual line items above is given in the Consolidated Statement of Changes in Equity.

13. Non-current borrowings (at amortised cost)

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Term loans		
- Motor vehicle loan from non-banking financial company (secured)	20.44	10.61
Less:		
Current maturities of term loans		
- Motor vehicle loan	7.21	4.15
	13.23	6.46

Notes:

Motor vehicle loans are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 7.30% to 10.26% per annum. The term loans are repayable in equated monthly installments ranging from 36 to 60 months from the date of loan.

14. Lease liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Non-current	666.11	480.83
Current	84.69	85.87
	750.80	566.70

Movement schedule of lease liabilities is as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Opening balance	566.70	488.16
Additions during the year	260.65	129.76
Modification of lease	(1.14)	56.71
Cancellation / termination of lease	(0.97)	(18.13)
Interest accrued on lease liability	46.80	40.95
Payment of lease liability	(118.54)	(107.01)
Lease rent concession	(7.47)	(15.11)
Effect of foreign exchange fluctuation / translation	4.77	(8.63)
Closing balance	750.80	566.70

15. Other non-current financial liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Security deposits	8.76	3.45
	8.76	3.45

16. Provisions (non-current)

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits		
- Gratuity	207.95	193.98
	207.95	193.98

Refer to Note 23 for detailed disclosures of gratuity.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

17. Trade payables**Trade payable ageing schedule:**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at December 31, 2022					
Micro enterprises and small enterprises	-	-	-	-	-
Others	164.74	1.09	0.10	0.76	166.69
Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	164.74	1.09	0.10	0.76	166.69
Accrued expenses					189.18
Total					355.87
As at December 31, 2021					
Micro enterprises and small enterprises	-	-	-	-	-
Others	188.93	0.09	-	3.23	192.25
Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	188.93	0.09	-	3.23	192.25
Accrued expenses					168.57
Total					360.82

Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Group, there are no dues to such suppliers.

Particulars	As at December 31, 2022	As at December 31, 2021
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

18. Other current financial liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Security deposits received	9.96	10.78
Unclaimed dividend	2.56	1.82
Mark-to-market loss on derivative instruments (refer to Note 30)	98.07	-
Employee benefits payable	438.01	323.03
Capital creditors	21.97	3.64
Contingent consideration for business acquisition (refer to Note 35)	-	49.72
Advance from customers	8.65	8.89
JSS benefit payable	-	4.67
Other financial liabilities	9.50	11.40
	588.72	413.95

19. Other current liabilities

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Statutory dues payable		
Tax deducted at source / Withholding tax payable	64.25	38.12
PF / 401 K / other payables	100.81	76.18
GST / Sales tax / VAT payable	33.59	30.14
Others	0.77	0.54
Unearned revenues (refer to Note 21)	389.96	306.47
	589.38	451.45

20. Provisions (current)

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Provision for employee benefits		
- Gratuity	24.43	9.69
- Compensated absence	279.27	244.26
	303.70	253.95

Refer to Note 23 for detailed disclosures of gratuity.

21. Revenue from operations

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Sale of services	15,158.31	11,556.39
	15,158.31	11,556.39

Disaggregate revenue information

The table below presents disaggregated revenues from the Group'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.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Revenue by geography:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
India	285.40	265.98
North America	11,246.63	7,957.93
South East Asia	1,901.45	1,681.29
Europe	1,574.88	1,561.89
Others	149.95	89.30
	15,158.31	11,556.39

Revenue by customer's industry type :

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Technology	6,635.60	5,203.39
Telecom	1,051.34	904.03
Healthcare and life science	1,375.65	1,052.53
Finance and insurance	2,201.07	1,696.07
Others	3,894.65	2,700.37
	15,158.31	11,556.39

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 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.

22. Other income

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Interest income on		
- Bank deposits	39.42	58.31
- Financial instruments measured at amortised cost	1.03	0.84
- Other	-	7.70
Forgiveness of PPP Loan (refer to Note 38)	-	224.04
Rental income from investment property	6.72	6.72
Foreign exchange fluctuation (net)	-	87.54
Reversal of provision for doubtful debts (net)	-	4.82
Profit on sale / discarding 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	15.11
Net gain arising on financial assets measured at FVTPL	6.40	4.23
Other fair value gain on contingent consideration (refer to Note 35)	25.79	-
Miscellaneous income	12.58	9.65
	102.89	418.96

23. Employee benefits expense

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Salaries, wages and bonus	9,408.89	7,202.06
Gratuity expenses	49.00	39.48
Contribution to social security plans	478.19	363.44
Staff welfare expenses	257.97	193.27
	10,194.05	7,798.25

(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. The Code has been 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 when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) Gratuity

Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit obligation) is as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Service cost	37.24	29.87
Net interest cost	11.76	9.61
Net gratuity expense recognised in profit and loss	49.00	39.48
Remeasurement loss / (gain) recognised in OCI	(6.72)	(1.31)
Total Cost Recognised in Comprehensive Income	42.28	38.17

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Details of defined benefit obligations:

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Defined benefit obligation	243.42	226.26
Fair value of plan assets	11.04	22.59
Net defined benefit obligation	232.38	203.67

Changes in the defined benefit obligation are as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Opening defined benefit obligation	226.26	200.13
Service cost	37.24	29.87
Interest cost	13.17	10.76
Benefits paid	(23.90)	(15.93)
Actuarial (gains) / losses on obligation	(9.35)	1.43
Closing defined benefit obligation	243.42	226.26

Changes in the fair value of plan assets are as follows:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Opening fair value of plan assets	22.59	20.12
Expected return	1.41	1.15
Contributions by the employer	13.57	14.51
Benefits paid	(23.90)	(15.93)
Actuarial gains / (losses) on plan assets	(2.63)	2.74
Closing fair value of plan assets	11.04	22.59

Amounts recognised in other comprehensive income (OCI):

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Actuarial (gain) / loss due to demographic assumption changes in defined benefit obligation	-	(8.55)
Actuarial (gain) / loss due to financial assumption changes in defined benefit obligation	(19.81)	(4.32)
Actuarial (gain) / loss from experience adjustment changes in defined benefit obligation	10.46	14.30
Return on plan assets (greater) / less than discount rate	2.63	(2.74)
Re-measurement loss / (gain) recognised in OCI	(6.72)	(1.31)

Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions is given below:

Defined Benefit Obligation	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Discount rate		
a. Discount rate - 100 basis points	260.33	242.89
b. Discount rate + 100 basis points	228.49	211.66
Salary increase rate		
a. Rate - 100 basis points	230.18	213.24
b. Rate + 100 basis points	257.41	240.09

Maturity Profile of Defined Benefit Obligation

Expected Future Cash flows (undiscounted)	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Year 1	35.47	32.29
Year 2	27.76	25.58
Year 3	27.09	22.88
Year 4	28.63	22.70
Year 5	23.21	23.91
Year 6 to 10	89.82	71.75
Year 10 +	215.16	183.71

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at December 31, 2022	As at December 31, 2021
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, 2022	As at December 31, 2021
Discount rate	7.43%	6.27%
Increment rate	First year 10%, thereafter 7%	First year 10%, thereafter 7%

(B) Demographic Assumptions

Particulars	As at December 31, 2022	As at December 31, 2021
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	Below Age 30 Yrs. - 35%	Below Age 30 Yrs. - 35%
	Age 30 to 34 Yrs. - 25%	Age 30 to 34 Yrs. - 25%
	Age 34 to 44 Yrs. - 18%	Age 34 to 44 Yrs. - 18%
	Age 44 to 50 Yrs. - 7%	Age 44 to 50 Yrs. - 7%
	Age 50 to 54 Yrs. - 5%	Age 50 to 54 Yrs. - 5%
	Above Age 54 Yrs. -1%	Above Age 54 Yrs. -1%
Retirement age	60 Yrs.	60 Yrs.

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24. Finance costs

(₹ in million)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense on term loans	1.16	1.47
Interest expense on lease liabilities (refer to Note 14)	46.80	40.95
Interest expense on fair value of contingent consideration (refer to Note 35)	0.77	4.65
Interest expense under income tax	0.25	2.05
	48.98	49.12

25. Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Depreciation on property, plant and equipment	216.05	153.48
Depreciation on investment property	1.47	1.47
Depreciation on right-of-use assets	111.01	102.00
Amortisation of intangible assets	21.25	19.98
	349.78	276.93

26. Other expenses

(₹ in million)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Power and fuel	52.59	41.02
Rent - premises	62.08	50.84
Software subscription charges	174.75	128.45
Repair and maintenance	72.35	50.94
Commission	7.64	17.52
Travelling and conveyance	201.89	102.57
Communication costs	129.61	102.90
Legal and professional fees (including subcontracting expenses)	1,495.80	1,100.65
Cost of third party items	267.83	245.79
Auditors' remuneration (refer detail below)	24.66	24.26
Foreign exchange fluctuation (net)	79.47	-
Provision for doubtful debts (net)	50.84	-
Advance written off	1.03	-
Loss on sale / discarding of property, plant and equipment (net)	-	2.18
Loss on cancellation of leases (net)	-	0.11
Contribution towards corporate social responsibility (refer detail below)	17.60	11.49
Miscellaneous expenses	328.68	271.61
	2,966.82	2,150.33

(i) Detail of auditors remuneration

(₹ in million)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
As auditor of the Company:		
- Statutory audit fee	2.26	2.08
- Quarterly audit / limited review fee	3.06	3.02
- Certification	0.60	0.85
- Out-of-pocket expenses	0.38	0.15
Audit & other fees to the subsidiaries auditors	18.36	18.16
	24.66	24.26

(ii) Contribution towards corporate social responsibility

(₹ in million)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Amount required to be spent by the Company during the year	17.59	11.40
Amount spend by the Company in accordance with its Corporate Social Responsibility Policy	17.60	11.49

Nature of CSR activities:

The Company has spend on the following projects/initiatives in accordance with the CSR policy of the Company:

1. Promotion and training of nationally recognised sports and Olympic sports
2. Promoting and imparting education including special education, skill development etc.
3. Providing support for orphans and disabled children
4. Women empowerment and skill development
5. Environmental sustainability

27. Income tax

(₹ in million)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Current income tax		
In respect of the current year	403.06	326.06
In respect of the prior periods	(15.87)	1.57
Deferred tax	(82.43)	(41.27)
Income tax expense recognised in the statement of profit and loss	304.76	286.36
Income tax recognised in other comprehensive income		
Deferred tax relating to re-measurements of the defined benefit plans	2.35	0.42
	307.11	286.78

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, 2022	Year ended December 31, 2021
Profit before tax	1,701.57	1,700.72
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	594.60	594.30
Tax effect of:		
Income exempt from tax	(268.49)	(229.99)
Temporary differences reversing during the tax holiday period	29.55	3.27
Temporary differences not recognised in earlier year	(4.85)	(6.83)
Expenses that are not deductible in determining taxable profit	9.42	10.75
Different tax rates of other tax jurisdictions	(36.15)	(64.11)
Tax pertaining to prior years	(15.87)	1.57
Change in corporate tax rate	-	(26.31)
Others	(3.45)	3.71
Income tax expense recognised in the statement of profit and loss	304.76	286.36

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Deferred tax**Deferred tax assets / (liabilities) as at December 31, 2022 in relation to:**

Particulars	As at January 01, 2022	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	Foreign currency translation difference	(₹ in million)
						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 (gain) / loss 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	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
Total	174.08	82.43	(2.35)	(38.25)	3.96	219.87

Deferred tax assets / (liabilities) as at December 31, 2021 in relation to:

Particulars	As at January 01, 2021	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	Foreign currency translation difference	(₹ in million)
						As at December 31, 2021
Property, plant and equipment and Intangible assets	(7.13)	(4.47)	-		0.15	(11.45)
Right-of-use assets and lease liabilities	12.07	8.81	-		(0.06)	20.82
Provision for doubtful debts	1.89	0.35	-		0.01	2.25
Difference on account of Revenue Recognition	(1.60)	(2.73)	-		0.25	(4.08)
Provision for gratuity	52.42	19.16	(0.42)		-	71.16
Other employee benefits	60.93	18.44	-		(0.38)	78.99
Mark-to-market (gain) / loss on derivative instruments	(9.58)	(4.69)	-		-	(14.27)
Net gain arising on financial assets measured at FVTPL	(5.25)	(2.52)	-		-	(7.77)
MAT credit entitlement	13.88	15.08	-		-	28.96
Tax Losses	17.77	(10.14)	-		0.14	7.77
Adjustment for change in the tax accounting method	(4.74)	2.40	-		(0.07)	(2.41)
Other Differences	2.78	1.58	-		(0.25)	4.11
Total	133.44	41.27	(0.42)	-	(0.21)	174.08

The Group has not recognised deferred tax assets on the following:

Particulars	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Unused tax losses of foreign jurisdiction*	1,809.51	1,662.11

*The unused tax losses will expire based on tax laws of the relevant jurisdictions.

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 significant 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 Zone Act, 2005 scheme, units in designated Special Economic Zones 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 next five years. Certain tax benefits are also available for a further period of five years subject to the unit meeting defined conditions.

28. 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	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Net profit after tax (₹ in million)	1,396.81	1,414.36
Weighted average number of equity shares for calculating Basic and Diluted EPS	118,303,445	119,347,933
Earnings per share (Equity share of par value of ₹ 1/- each)		
Basic and Diluted (₹)	11.81	11.85

29. a. Financial instruments

The carrying values and fair values of financial instruments by categories are as follows:

Particulars	Note reference	Basis of measurement	(₹ in million)				Fair value hierarchy
			As at December 31, 2022		As at December 31, 2021		
			Carrying value	Fair value	Carrying value	Fair value	
Assets							
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	132.25	132.25	Level 1
Trade receivables	7	Amortised cost	2,570.88	2,570.88	1,779.76	1,779.76	
Cash and cash equivalents	8a	Amortised cost	2,062.30	2,062.30	2,043.68	2,043.68	
Other bank balances	8b	Amortised cost	242.90	242.90	235.99	235.99	
Mark-to-market gain on derivative instruments	9	FVTPL	-	-	51.81	51.81	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	976.65	976.65	936.72	936.72	
Total			5,991.41	5,991.41	5,180.24	5,180.24	

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Particulars	Note reference	Basis of measurement	As at December 31, 2022		As at December 31, 2021		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
Liabilities							
Borrowings	13	Amortised cost	20.44	20.44	10.61	10.61	
Lease liabilities	14	Amortised cost	750.80	750.80	566.70	566.70	
Trade payables	17	Amortised cost	355.87	355.87	360.82	360.82	
Mark-to-market loss on derivative instruments	18	FVTPL	98.07	98.07	-	-	Level 2
Contingent consideration for business acquisition	18	FVTPL	-	-	49.72	49.72	Level 3
Other financial liabilities	15,18	Amortised cost	499.41	499.41	367.68	367.68	
Total			1,724.59	1,724.59	1,355.53	1,355.53	

(₹ in million)

Carrying amount of financial instruments at amortised cost approximates their fair value.

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.

b. Fair value measurement using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the year ended December 31, 2022 and December 31, 2021

(₹ in million)

Particulars	Investments in other equity instruments	Contingent consideration for business acquisition (refer to Note 35)
As at January 1, 2021	0.03	44.27
Interest expense on fair value of contingent consideration	-	4.65
FCTR losses recognised in other comprehensive income	-	0.80
As at December 31, 2021	0.03	49.72
Interest expense on fair value of contingent consideration	-	0.77
Other fair value gain on contingent consideration	-	(25.79)
Amount paid during the year	-	(27.46)
FCTR losses recognised in other comprehensive income	-	2.76
As at December 31, 2022	0.03	-

c. Valuation inputs and relationships to fair value of contingent consideration

(₹ in million)

Particulars	Fair value		Significant unobservable inputs	Probability-weighted range		Sensitivity
	As at December 31, 2022	As at December 31, 2021		As at December 31, 2022	As at December 31, 2021	
Contingent consideration for business acquisition (refer to Note 35)	-	49.72	Expected cash outflows	NA	50.92	If expected cash flows were 10% lower, the FV would decrease by ₹ NIL (2021 ₹ 4.97 mn). A change in discount rate by 100 bps would increase / decrease the FV by ₹ NIL (2021 ₹ 0.10 mn / 0.10 mn).
			Discount rate	NA	10.40%	

30. 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. 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 along with 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 and Euros). A significant portion of the Group's revenues are in these 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.

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, 2022, the Group has recognised mark-to-market liability of ₹ 98.07 million (previous year: mark-to-market asset of ₹ 51.81 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market loss of ₹ 149.87 million (previous year: ₹ 2.85 million) for the year ended December 31, 2022 recorded as foreign exchange fluctuation.

The following table gives details in respect of outstanding foreign currency forward contracts:

Particulars	As at December 31, 2022	As at December 31, 2021
USD		
Foreign currency (million)	42.20	32.70
Average rate	81.39	77.22
Rupees (million)	3,434.56	2,525.15
EURO		
Foreign currency (million)	2.40	2.10
Average rate	88.87	91.47
Rupees (million)	213.29	192.09

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The following table analyses Group's foreign currency exposure from non-derivative financial instruments as of December 31, 2022 and December 31, 2021

As at December 31, 2022	Designated in foreign currency			Total
	USD	EURO	Others [#]	
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

(₹ in million)

As at December 31, 2021	Designated in foreign currency			Total
	USD	EURO	Others [#]	
Trade receivables	664.06	330.66	44.93	1,039.65
Other financial assets	10.33	-	1.49	11.82
Cash and cash equivalents and bank balances	437.13	158.21	3.79	599.13
Trade and other payables	96.92	179.88	9.84	286.64

(₹ in million)

[#] Others include currencies such as SGD, GBP, CAD, CHF, MYR, PHP etc.

Foreign currency sensitivity analysis

For the year ended December 31, 2022 and December 31, 2021, 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 1.08% and 0.73%, respectively.

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. 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:

Particulars	Year ended	
	December 31, 2022	December 31, 2021
Revenue from top customer	1,009.16	824.95
Revenue from top 5 customers	2,311.96	1,899.91

(₹ in million)

No customer accounted for more than 10% of the revenue for the year ended December 31, 2022 and December 31, 2021. Further, there is one customer account for more than 10% of the receivable as at December 31, 2022 and December 31, 2021.

Investments including bank deposits

Credit risk on bank balance is limited as the Group generally invests in deposits with banks. Investments primarily includes investment in liquid mutual funds having good rating. The Group does not expect any losses from non-performance by the counterparties.

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus cash is governed by the Group's investment policy approved by the Board of Directors. The Group believes that the working capital is sufficient to meet its current requirements.

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. As at December 31, 2021, the Group had a working capital of ₹ 3,772.05 million including cash and cash equivalents and current fixed deposits of ₹ 2,615.61 million and current investments of ₹ 132.25 million. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities:

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	-	23.16
Lease liabilities	140.30	114.66	108.00	177.35	669.40	1,209.71
Trade payables	355.87	-	-	-	-	355.87
Other financial liabilities	588.72	8.76	-	-	-	597.48
Total	1,093.50	130.76	112.58	179.98	669.40	2,186.22

(₹ in million)

Particulars	As at December 31, 2021					Total
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	
Borrowings	4.85	3.83	2.56	0.61	-	11.85
Lease liabilities	125.05	110.73	80.24	125.83	399.44	841.29
Trade payables	360.82	-	-	-	-	360.82
Other financial liabilities	413.95	3.45	-	-	-	417.40
Total	904.67	118.01	82.80	126.44	399.44	1,631.36

(₹ in million)

31. 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:

Particulars	As at	
	December 31, 2022	December 31, 2021
Total equity attributable to the equity share holders of the Group	5,454.70	4,602.96
As percentage of total capital	87.61%	88.86%
Borrowings (including current maturities)	20.44	10.61
Lease liabilities (including current maturities)	750.80	566.70
Total borrowings and lease liabilities	771.24	577.31
As percentage of total capital	12.39%	11.14%
Total capital (equity, borrowings and lease liabilities)	6,225.94	5,180.27

(₹ in million)

The Group is predominantly equity financed which is evident from the capital structure table. Further, the Group always has surplus cash and bank balances invested in fixed deposit with banks, commercial deposits and liquid mutual funds.

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32. Financial Ratios

Ratio/Measure	Numerator	Denominator	Year ended December 31, 2022	Year ended December 31, 2021	% Variance	Reason for variance
a. Current Ratio	Current assets	Current liabilities	3.18	3.28	-2.83%	
b. Debt-Equity Ratio	Total Debt (borrowings + lease liabilities)	Shareholders' equity	0.14	0.13	12.73%	
c. Debt Service Coverage Ratio	Earnings available for debt service ¹	Debt service ²	15.72	14.51	8.32%	
d. Return on Equity Ratio (%)	Profit for the year	Average shareholders' equity	27.78%	31.89%	-12.89%	
e. Trade Receivables turnover ratio	Revenue from operations	Average trade receivable	6.97	7.47	-6.77%	
f. Trade payables turnover ratio	Adjusted other expenses	Average trade payables	8.55	8.02	6.65%	
g. Net capital turnover ratio	Revenue from operations	Average working capital	11.56	11.86	-2.55%	
h. Net profit ratio (%)	Profit for the year	Revenue from operations	9.21%	12.24%	-24.71%	Decrease in other income such as forgiveness of PPP loan, interest income etc. and increase in travel & other expenses along with loss due to foreign exchange fluctuations has resulted in decrease in net profit ratio.
i. Return on Capital employed (%)	Earning before interest and taxes	Capital employed ³	28.11%	33.74%	-16.68%	
j. Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Weighted average investments ⁴	3.71%	3.53%	5.23%	

Notes:

1. Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
2. Debt service = Interest & Lease Payments + Principal Repayments
3. Capital Employed = Shareholders fund + Total Debt
4. Weighted average investment is the weighted average of amount invested in fixed deposits and mutual funds.

33. 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.

- a) Information technology services
- b) 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 five principal geographical areas of the world which are: India, North America, South East Asian countries, Europe and Other areas.

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The following table provides required information for reportable segments for the year ended December 31, 2022 and December 31, 2021:

Particulars	Information technology services		Business process outsourcing services		Eliminations		Corporate and others		Total	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
REVENUE										
External sales	13,997.18	10,753.43	1,161.13	802.96					15,158.31	11,556.39
Inter-segment sales			47.16	25.01	47.16	25.01				
Total revenue	13,997.18	10,753.43	1,208.29	827.97	47.16	25.01			15,158.31	11,556.39
RESULTS										
Segment results	1,464.62	1,357.85	358.01	200.96					1,822.63	1,558.81
Unallocated corporate expenses									(151.45)	(110.80)
Operating profit									1,671.18	1,448.01
Finance costs									(48.98)	(49.12)
Interest income									40.45	66.85
Other unallocable income									38.92	234.98
Tax expense									(304.76)	(286.36)
Profit for the year									1,396.81	1,414.36
Other segment information										
Depreciation and amortisation	340.54	269.80	7.77	5.66					1.47	1.47

Refer to Note 21 for geography-wise revenue.

Refer to Note 30 on financial risk management for information on revenue from major customers.

34. Related Party Disclosures

Names of related parties (refer to Note 1 for 'R Systems Group')

(i) Key management personnel

Sl. No.	Name of person	Designation	Company
1	Dr. Satinder Singh Rekhi	Managing Director & Chief Executive Officer	R Systems International Limited, India
		Director	R Systems, Inc., USA
		Director	R Systems Technologies Ltd. USA
		Director	R Systems Computaris International Limited, UK
		Director	RSYS Technologies Ltd., Canada
		Director	R Systems IBIZCS Pte. Ltd., Singapore
2	Lt. Gen. Baldev Singh (Retd.)	President & Senior Executive Director	R Systems International Limited, India
3	Avirag Jain	Director & Chief Technology Officer	R Systems International Limited, India
4	Ruchica Gupta	Non-Executive Independent Director	R Systems International Limited, India
		Director	R Systems, Inc., USA
5	Kapil Dhameja	Non-Executive Independent Director	R Systems International Limited, India
6	Aditya Wadhwa	Non-Executive Independent Director	R Systems International Limited, India
7	Sartaj Singh Rekhi	Director	R Systems, Inc., USA
		Director	R Systems Consulting Services Limited, Singapore
		Director	R Systems Technologies Ltd. USA
		Director	R Systems Computaris International Limited, UK (w.e.f. December 20, 2021)
		Director	R Systems IBIZCS Pte. Ltd., Singapore
		Director	RSYS Technologies Ltd., Canada
8	Ramneet Singh Rekhi	President	R Systems International Limited
		Director	R Systems Computaris International Limited, UK (w.e.f. December 8, 2021)
9	Chan Kum Ming	Director	R Systems Consulting Services Limited, Singapore
		Director	R Systems (Singapore) Pte. Ltd, Singapore
10	Raluca Marina Rusu	Director	R Systems Computaris International Limited, UK
11	Joydeep Sen Chaudhuri	Director	R Systems (Singapore) Pte. Ltd, Singapore
12	Gunalan Kalairajan	Director	R Systems IBIZCS Pte. Ltd., Singapore
13	Nand Sardana	Chief Financial Officer	R Systems International Limited, India
14	Bhasker Dubey	Company Secretary & Compliance Officer	R Systems International Limited, India

(ii) Relatives of Key management personnel

- Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Chief Operating Officer – R Systems USA Operations
- Kuldeep Baldev Singh, [related to Lt. Gen. Baldev Singh (Retd.)]
- Amrita Kaur Rekhi, (related to Dr. Satinder Singh Rekhi)
- Harpreet Rekhi, (related to Dr. Satinder Singh Rekhi)
- Anita Behl, (related to Dr. Satinder Singh Rekhi)

(iii) Other forming part of promoter or promoter group (not specified above)

- The Satinder and Harpreet Rekhi Family Trust, USA (Trustee: Dr. Satinder Singh Rekhi and Harpreet Rekhi)
- Jagmohan Singh Walia

(iv) Person having beneficial shareholding of 20% or more, directly or indirectly (not specified above)

- Bhavook Tripathi

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Details of transactions with related parties for the year ended December 31, 2022 and December 31, 2021:

Particulars	(₹ in million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Remuneration to key management personnel		
Short term employee benefits	289.86	223.15
Post-employment benefits	0.15	0.19
Other long-term employee benefits	1.14	0.67
Sitting fee to independent directors	1.19	0.81
Total	292.34	224.81
Shares buyback		
The Satinder & Harpreet Rekhi Family Trust, USA	-	25.97
Sartaj Singh Rekhi	-	41.40
Ramneet Singh Rekhi	-	36.04
Dr. Satinder Singh Rekhi	-	16.42
Lt. Gen. Baldev Singh (Retd.)	-	0.02
Harpreet Rekhi	-	11.36
Nand Sardana	-	0.44
Bhavook Tripathi	-	118.66
Total	-	250.31
Dividend paid		
The Satinder and Harpreet Rekhi Family Trust, USA	76.07	66.99
Sartaj Singh Rekhi	121.40	106.91
Ramneet Singh Rekhi	105.54	92.95
Dr. Satinder Singh Rekhi	48.12	42.38
Mandeep Singh Sodhi	3.09	2.71
Lt. Gen. Baldev Singh (Retd.)	0.05	0.05
Kuldeep Baldev Singh	2.42	2.12
Anita Behl	2.39	2.09
Harpreet Rekhi	33.15	29.19
Amrita Rekhi	0.00*	0.00#
Nand Sardana	1.27	1.12
Avirag Jain	0.00*	0.00#
Chan Kum Ming	0.05	0.05
Jagmohan Singh Walia	8.27	7.25
Bhavook Tripathi	284.96	256.77
Total	686.78	610.58
Rent		
Dr. Satinder Singh Rekhi & Harpreet Rekhi	15.50	14.63
Total	15.50	14.63

* Dividend paid to: (a) Amrita Rekhi ₹ 650; (b) Avirag Jain ₹ 650.

Dividend paid to: (a) Amrita Rekhi ₹ 570; (b) Avirag Jain ₹ 570.

Outstanding balances of related parties as at December 31, 2022 and December 31, 2021:

Balance outstanding	(₹ in million)	
	As at December 31, 2022	As at December 31, 2021
Balance payable to key management personnel		
Dr. Satinder Singh Rekhi	21.73	11.15
Lt. Gen. Baldev Singh (Retd.)	2.00	0.87
Avirag Jain	2.90	1.87
Nand Sardana	2.40	1.26
Raluca Marina Rusu	5.12	4.13
Joydeep Sen Chaudhuri	0.17	0.91
Total	34.32	20.19

35. 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.

36. On June 30, 2021, IBIZ Consulting (Thailand) Co. Ltd., a wholly owned step down subsidiary of the Company has completed the business acquisition of implementing, providing maintenance and support for Microsoft Dynamics Navision ERP and other related information technology services from DC Dynamic Solution Co. Ltd ("the Seller") for a consideration of ₹ 6.99 million (THB 3.03 million). The Group has accounted this as business acquisition under Ind-AS 103 Business Combinations effective June 30, 2021.

Find below the details of Net Assets acquired through this acquisition

Particulars	THB in million	₹ in million
Purchase Consideration (A)	0.03	6.99
Assets, liabilities and intangible assets recognised on acquisition are as follows:		
Identifiable assets		
As at December 31, 2021		
Property, plant and equipment	0.09	0.21
Non-compete	1.09	2.54
Customer contract	1.27	2.95
Intellectual property rights (Software)	1.09	2.54
Total identifiable assets (Total B)	3.54	8.24
Identifiable liabilities		
Unearned revenue	0.96	2.28
Total identifiable liabilities (Total C)	0.96	2.28
Net identifiable assets acquired D = (B-C)	2.58	5.96
Goodwill E = (A-D)	0.45	1.03

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

37. The Company has paid interim dividend of ₹ 6.50/- per equity share of face value of ₹ 1/- each aggregating to ₹ 768.97 million on June 30, 2022.

During the year ended December 31, 2021, the Company paid two interim dividends of ₹ 2.5/- per equity share and ₹ 3.20/- per equity share of face value of ₹ 1/- each, aggregating to ₹ 677.66 million.

38. In the year ended December 31, 2020, the Company had obtained a forgivable loan of ₹ 222.05 mn (USD 3.01 mn) under Paycheck Protection Program (PPP) by Small Business Administration, United States of America ("SBA").

During the year ended December 31, 2021, the Company received the forgiveness of the entire loan amount upon satisfaction of the underlying conditions. Consequently, the amount of loan forgiven was recognised as income and presented under the head other income.

39. BCP Asia II Topco II Pte. Ltd. along with Blackstone Capital Partners Asia II L.P., private equity funds managed by Blackstone ("Blackstone") have signed definitive agreements ("Agreement") with the promoter and promoter group of R Systems International Limited ("R Systems") to purchase up to their entire stake i.e. 51.67% in the Company on the terms and conditions set out in the Agreement including Blackstone to complete a conditional delisting cum open offer to acquire remaining stake from the public shareholders ("Transaction").

The Transaction is expected to be completed in the coming months, subject to necessary closing conditions and regulatory approvals.

40. 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, 2022	Amount in ₹ (mn)	December 31, 2022	Amount in ₹ (mn)	December 31, 2022	Amount in ₹ (mn)	December 31, 2022	Amount in ₹ (mn)
	Parent Entity								
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
	Subsidiaries								
	Indian Subsidiaries								
1	IBIZ Consultancy Services India Private Limited., India (refer to Note 1)	-	-	(0.04)	(0.59)	-	-	(0.04)	(0.59)
	Foreign Subsidiaries								
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

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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)
		As % of consolidated net assets		As % of consolidated profit or loss		As % of consolidated other comprehensive income		As % of consolidated total comprehensive income	
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	
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)	
	Sub total	100.00	6,812.09	100.00	1,445.93	100.00	4.37	1,450.30	
	Adjustment arising out of consolidation		(1,357.39)		(49.12)			170.40	
	Total		5,454.70		1,396.81		223.89	1,620.70	

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, 2021	Amount in ₹ (mn)	December 31, 2021	Amount in ₹ (mn)	December 31, 2021	Amount in ₹ (mn)	December 31, 2021	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	
1	Parent Entity R Systems International Limited, India	59.95	3,539.64	65.32	1,157.47	100.00	0.71	65.33	1,158.18
	Subsidiaries								
	Indian Subsidiaries								
1	IBIZ Consultancy Services India Private Limited., India	0.08	4.61	0.05	0.84	-	-	0.05	0.84
	Foreign Subsidiaries								
1	R Systems (Singapore) Pte Limited, Singapore	8.10	478.05	4.06	72.00	-	-	4.06	72.00
2	R Systems, Inc., USA	13.43	793.05	10.59	187.58	-	-	10.58	187.58
3	R Systems Technologies Ltd., USA	0.70	41.30	2.05	36.45	-	-	2.06	36.45
4	R Systems Consulting Services Limited., Singapore	1.98	116.81	(0.52)	(9.17)	-	-	(0.52)	(9.17)
5	R Systems Consulting Services (M) Sdn. Bhd., Malaysia	1.08	63.57	0.85	14.99	-	-	0.85	14.99
6	R Systems Consulting Services (Hong Kong) Ltd, Hong Kong	0.10	5.84	0.12	2.09	-	-	0.12	2.09
7	R Systems Consulting Services (Thailand) Co., Ltd., Thailand	(0.05)	(2.68)	(0.20)	(3.58)	-	-	(0.20)	(3.58)
8	R Systems Consulting Services Kabushiki Kaisha, Japan	(0.62)	(36.86)	(0.28)	(5.01)	-	-	(0.28)	(5.01)
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China	(1.05)	(61.73)	(0.05)	(0.82)	-	-	(0.05)	(0.82)
10	R Systems Computaris International limited, UK	3.96	233.83	1.94	34.36	-	-	1.94	34.36
11	R Systems Computaris Europe SRL, Romania	5.15	303.93	6.07	107.52	-	-	6.06	107.52
12	R Systems Computaris Poland Sp. z o.o., Poland	1.38	81.39	1.12	19.76	-	-	1.11	19.76
13	R Systems Computaris S.R.L., Moldova	0.79	46.54	0.86	15.29	-	-	0.86	15.29
14	R Systems Computaris Malaysia Sdn. Bhd., Malaysia	0.18	10.36	0.04	0.72	-	-	0.04	0.72
15	R Systems Computaris Philippines Pte. Ltd. Inc., Philippines	0.14	8.33	(0.02)	(0.28)	-	-	(0.02)	(0.28)

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2021	Amount in ₹ (mn)	December 31, 2021	Amount in ₹ (mn)	December 31, 2021	Amount in ₹ (mn)	December 31, 2021	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	
16	R Systems Computaris Suisse Sarl, Switzerland	0.07	4.09	0.06	1.02	-	0.06	0.06	1.02
17	RSYS Technologies Ltd., Canada	1.75	103.11	1.94	34.45	-	1.94	1.94	34.45
18	R Systems IBIZCS Pre. Ltd., Singapore	1.91	112.95	3.71	65.81	-	3.71	3.71	65.81
19	IBIZ Consulting Services Pte Ltd., Singapore	0.54	31.94	0.01	0.13	-	0.01	0.01	0.13
20	R Systems IBIZCS Sdn. Bhd., Malaysia	0.61	35.98	1.87	33.09	-	1.87	1.87	33.09
21	PT. R Systems IBIZCS International, Indonesia	0.43	25.35	0.46	8.12	-	0.46	0.46	8.12
22	IBIZ Consulting Service Limited, Hong Kong	0.04	2.45	0.05	0.94	-	0.05	0.05	0.94
23	IBIZ Consulting Service Shanghai Co., Ltd., People's Republic of China	(0.79)	(46.15)	0.09	1.65	-	0.09	0.09	1.65
24	IBIZ Consulting (Thailand) Co. Ltd., Thailand	0.14	8.36	(0.19)	(3.28)	-	(0.18)	(0.18)	(3.28)
	Sub total	100.00	5,904.06	100.00	1,772.14	100.00	0.71	100.00	1,772.85
	Adjustment arising out of consolidation		(1,301.10)		(357.78)		(32.90)		(390.68)
	Total		4,602.96		1,414.36		(32.19)		1,382.17

41. The financial statements have been approved by the Board of Directors at its meeting held on February 13, 2023.

For and on behalf of the Board of Directors of R SYSTEMS INTERNATIONAL LIMITED

DR. SATINDER SINGH REKHI
Managing Director &
Chief Executive Officer
DIN: 00006955

Place : NOIDA
Date : February 13, 2023

LT. GEN. BALDEV SINGH (RETD.)
President & Senior Executive
Director
DIN: 00006966

Place : NOIDA
Date : February 13, 2023

BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : NOIDA
Date : February 13, 2023

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)

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, 2022	Singapore Dollar	61.66	470.53	102.30	656.87	84.05	-	647.62	44.30	6.44	37.86	-	100.00%
2	R Systems, Inc., USA	December 31, 2022	US Dollar	82.73	127.19	777.21	1,266.63	362.23	-	3,206.32	45.80	24.01	21.79	-	100.00%
3	R Systems Technologies Ltd., USA	December 31, 2022	US Dollar	82.73	20.17	47.07	73.59	6.35	-	468.96	26.51	5.23	21.26	-	100.00%
4	R Systems Consulting Services Limited, Singapore ⁽¹⁾	December 31, 2022	Singapore Dollar	61.66	5,336.64	(5,183.47)	211.05	57.88	-	188.41	22.74	0.27	22.45	-	99.75%
5	R Systems Consulting Services (M) Sdn. Bhd. Malaysia ⁽²⁾	December 31, 2022	Malaysian Ringgit	18.72	76.75	3.32	113.46	33.40	-	321.05	16.93	3.71	13.23	-	99.75%
6	R Systems Consulting Services (Hong Kong) Limited, Hong Kong ^{(3) & (4)}	December 31, 2022	Hong Kong Dollar	10.59	-	3.28	7.38	4.10	-	10.11	0.99	(0.01)	1.01	-	99.75%
7	R Systems Consulting Services (Thailand) Co. Ltd., Thailand ⁽⁵⁾	December 31, 2022	Thai Baht	2.39	4.78	7.55	138.31	125.97	-	267.06	18.86	3.66	15.20	-	99.75%
8	R Systems Consulting Services Kabushiki Kaisha, Japan ⁽²⁾	December 31, 2022	Japanese Yen	0.63	6.30	(50.85)	1.88	46.43	-	1.35	(8.59)	0.01	(8.61)	-	99.75%
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China ⁽²⁾	December 31, 2022	Chinese Yuan	11.98	19.63	(107.18)	33.82	121.16	-	22.74	(24.00)	-	(24.00)	-	99.75%
10	R Systems Consulting Services Company Limited, Vietnam ^{(2) & (6)}	December 31, 2022	Vietnamese dong	285.18	-	-	-	-	-	-	-	-	-	-	99.75%

(₹ in million, except exchange rate)

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
11	R Systems Computaris International Limited, UK	December 31, 2022	Euro	88.14	0.07	250.87	357.93	107.00	-	287.42	7.66	1.46	6.20	-	100.00%
12	R Systems Computaris Europe SRL, Romania ⁽³⁾	December 31, 2022	Romania leu	17.85	50.90	394.13	938.31	493.27	-	2,018.12	145.44	18.68	126.76	-	100.00%
13	R Systems Computaris Poland sp z o.o, Poland ⁽³⁾	December 31, 2022	Polish Zloty	18.87	37.74	54.35	184.54	92.45	-	471.00	11.18	2.68	8.49	-	100.00%
14	R Systems Computaris SRL, Moldova ⁽³⁾	December 31, 2022	Moldovan leu	4.34	0.02	63.43	74.37	10.92	-	198.39	29.44	13.89	15.56	-	100.00%
15	R Systems Computaris Malaysia Sdn. Bhd., Malaysia ⁽³⁾	December 31, 2022	Malaysian Ringgit	18.72	1.80	9.96	13.18	1.42	-	17.55	1.28	0.42	0.87	-	100.00%
16	R Systems Computaris Philippines Pte. Ltd. Inc. ⁽³⁾	December 31, 2022	Philippine Peso	1.48	14.80	(4.06)	12.92	2.17	-	37.30	2.83	0.57	2.26	-	100.00%
17	R Systems Computaris Switzerland LLC, Switzerland ⁽³⁾	December 31, 2022	Swiss Franc	89.60	4.75	0.71	6.38	0.93	-	13.60	1.07	0.12	0.96	-	100.00%
18	RSYS Technologies Ltd., Canada	December 31, 2022	Canadian Dollar	61.05	97.68	30.15	197.52	69.69	-	431.64	27.35	7.21	20.14	-	100.00%
19	R Systems IBIZCS Pte. Ltd., Singapore ⁽⁵⁾	December 31, 2022	Singapore Dollar	61.66	70.97	67.17	293.79	155.65	-	415.71	12.70	0.96	11.75	-	100.00%
20	IBIZ Consulting Services Pte Ltd, Singapore ⁽⁶⁾	December 31, 2022	Singapore Dollar	61.66	61.66	(52.90)	8.95	0.18	-	5.92	0.77	-	0.76	-	100.00%
21	R Systems IBIZCS SDN. BHD., Malaysia ⁽⁶⁾	December 31, 2022	Malaysian Ringgit	18.72	9.36	34.31	89.95	46.29	-	120.66	7.72	1.89	5.84	-	100.00%
22	PT. RSYSTEMS IBIZCS International, Indonesia ⁽⁶⁾	December 31, 2022	Indonesia Rupiah	0.01	25.00	60.23	154.46	69.24	-	208.22	47.00	10.24	36.76	-	100.00%
23	IBIZ Consultancy Services India Private Limited., India ^{(6)&(14),(15)}	December 31, 2022	Indian Rupee	1.00	-	-	-	-	-	0.03	(0.49)	0.10	(0.59)	-	100.00%

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
24	IBIZ Consulting Service Limited, Hong Kong ⁽⁶⁾	December 31, 2022	Hong Kong Dollar	10.59	0.11	2.54	52.18	49.53	-	6.73	(0.08)	-	(0.08)	-	100.00%
25	IBIZ Consulting Service Shanghai Co., Ltd., People's Republic of China ⁽⁷⁾	December 31, 2022	Chinese Yuan	11.98	5.74	(49.19)	21.62	65.08	-	41.07	3.90	0.01	3.90	-	100.00%
26	IBIZ Consulting (Thailand) Co. Ltd. ⁽⁶⁾	December 31, 2022	Thai Baht	2.39	14.34	(8.13)	15.47	9.25	-	31.01	(2.69)	-	(2.69)	-	100.00%

Notes :

- 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.
- 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.
- Wholly owned subsidiary of R Systems Computaris International Limited, United Kingdom, which is the wholly owned subsidiary of R Systems International Limited.
- 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).
- Wholly owned subsidiary of R Systems (Singapore) Pte Ltd., Singapore which is the wholly-owned subsidiary of R Systems International Limited.
- 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.
- 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.
- R Systems Consulting Services Company Limited, Vietnam was incorporated on October 17, 2022 and operations are not yet started.
- IBIZ Consultancy Services India Private Limited is under voluntary liquidation.
- Reporting period for all the subsidiaries is financial year i.e. January to December except for IBIZ Consultancy Services India Private Limited which follows April to March as its financial year.
- 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

Dr. Satinder Singh Rekhi
(Managing Director & Chief Executive Officer)
DIN: 00006955
Place : NOIDA
Date : February 13, 2023

Lt. Gen. Baldev Singh (Retd.)
(President & Senior Executive Director)
DIN: 00006966
Place : NOIDA
Date : February 13, 2023

Nand Sardana
Chief Financial Officer
Place : NOIDA
Date : February 13, 2023

Bhasker Dubey
Company Secretary & Compliance Officer
Place : NOIDA
Date : February 13, 2023

NOTICE

R SYSTEMS INTERNATIONAL LIMITED

NOTICE OF THE TWENTY NINTH 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; Email: rsil@rsystems.com

NOTICE is hereby given that Twenty Ninth Annual General Meeting of the shareholders of R SYSTEMS INTERNATIONAL LIMITED (the “Company”/ “R Systems”) will be held on Wednesday, June 21, 2023 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, 2022 and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm interim dividend of INR 6.50/- per equity share, declared and paid for the financial year ended December 31, 2022.

AS SPECIAL BUSINESS

3. To consider and ratify the period of extension of the tenure of Lt. Gen. Baldev Singh (Retd.), President & Sr. Executive Director of the Company, and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made thereunder read with Schedule V of the Act and applicable provisions under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the Members of the Company be and is hereby ratify for the extension of the term of Lt. Gen. Baldev Singh (Retd.)

(DIN: 00006966) as Whole-time Director w.e.f. April 01, 2023 to May 10, 2023 on the terms and conditions as mentioned in the explanatory statement.

4. To consider and appoint Mr. Mukesh Mehta, as a Non-Executive Director of the Company, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or modification(s) or reenactment(s) thereof, for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Mukesh Gulraj Mehta (DIN: 08319159) who was appointed as an Additional Director in the capacity of Non-Executive Director of the Company with effect from May 10, 2023 by the Board of Directors, and holds office up to the date of this Annual General Meeting and who qualifies for being appointed as a Non-Executive Director, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Director of the Company, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and appoint Mr. Amit Dalmia, as a Non-Executive Director of the Company, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or modification(s) or reenactment(s) thereof, for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Amit Dalmia (DIN: 05313886) who was appointed as an Additional Director in the capacity of Non-Executive Director of the Company with effect from May 10, 2023 by the Board of Directors of the Company, and holds office up to the date of this Annual General Meeting and who qualifies for being appointed as a Non-Executive Director, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and appoint Mr. Animesh Agrawal, as a Non-Executive Director of the Company, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or modification(s) or reenactment(s) thereof, for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Animesh Agrawal (DIN: 08538625) who was appointed as an Additional Director in the capacity of Non-Executive Director of the Company with effect from May 10, 2023 by the Board of Directors of the Company, and holds office up to the date of this Annual General Meeting and who qualifies for being appointed as a Non-Executive Director, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For **R Systems International Limited**

Date : May 10, 2023
Place : NOIDA

Bhasker Dubey
(Company Secretary &
Compliance Officer)

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NOTES

1. The Ministry of Corporate Affairs, Government of India (“MCA”) vide its circular dated December 28, 2022, read with circulars dated May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as “MCA Circulars”) has 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, 2023, 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/PoD-2/P/CIR/2023/4 dated January 5, 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, MCA Circulars and SEBI Circular, the 29th AGM of the Company is being held through VC/ OAVM. The Deemed Venue for the 29th AGM shall be the Registered Office of the Company. Since the 29th 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 Annual General Meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to devesh@dpvassociates.com with a copy marked to investors@rsystems.com and enotices@linkintime.co.in
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 and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the register of contracts or arrangements in which Directors are interested under Section 189 of the Act or any other documents referred to in the accompanying Notice and explanatory statement, 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.
7. 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. For further information and details, Members may also refer <https://www.rsystems.com/corporate-governance/investor-services/>.

The Company has additionally provided the facility to the members to temporarily update their email address by accessing the link https://web.linkintime.co.in/EmailReg/Email_Register.html for the limited purposes of receiving shareholder communications, including the Annual Report and the Notice.
8. In accordance with the proviso to Regulation 40(1) of the Listing Regulations, transfer 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, for ease in portfolio management.

9. SEBI has mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, email address, mobile number, bank account details) and nomination details by holders of securities in prescribed forms. Effective from January 01, 2022, any service requests or complaints received from the member, are being processed by RTA on receipt of aforesaid details/ documents. On or after October 01, 2023, in case any of the above cited documents/ details are not available in the Folio(s), in terms of SEBI circulars, RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://www.rsystems.com/corporate-governance/investor-services/>.
10. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members can nominate a person in respect of all the shares held by him singly or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14, as the case may be. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may approach their respective DPs for completing the nomination formalities.
11. 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)].
12. Non-Resident Indian Members are requested to inform RTA, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account number, account type and address of the Bank with pin code number.
13. 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, before they are transferred to the said Fund.
14. The Company has uploaded information of unclaimed dividends on the websites of the IEPF viz. www.iepf.gov.in and of the Company <https://www.rsystems.com/investors-info/unpaid-and-unclaimed-dividend/>. Further, the Company has also uploaded on its website, details of unclaimed interim dividend for the financial year ended December 31, 2022.
15. 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.
16. Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations read with SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). Physical copy of the Annual Report shall be sent to those Members who request for the same.
17. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors re-appointing at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Act, in respect of special business under item number 3, 4, 5 and 6 of the Notice is appended hereto and forms part of this Notice.
18. The Annual Report for Financial Year ended December 31, 2022 of the Company along with the Notice convening this 29th AGM, will be made available on the Company's website at <https://www.rsystems.com/investors-info/>

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annual-reports/ as well as on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on the website of Link Intime India at <https://instavote.linkintime.co.in>.

19. 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 Saturday, June 17, 2023 at 09:00 A.M. and ends on Tuesday, June 20, 2023 at 5:00 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 i.e. Wednesday June 14, 2023, 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 at the meeting venue.
- (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, 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:

- I. Existing IDeAS user can visit the e-Services website of NSDL viz. <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"

which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

- II. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- III. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

B. Individual Shareholders holding securities in demat mode with CDSL:

- I. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

- II. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
- III. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
- IV. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
- 3. Individual Shareholders (holding securities in demat mode) login through their depository participants:**
You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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. Open the internet browser and launch the 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 **NSDL 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).

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- ▶ 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.

Guidelines for Institutional shareholders:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

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 evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical 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>

- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- 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 minimum 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.

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 abovementioned 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.

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

20. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING THROUGH INSTA MEET ARE AS UNDER:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- ▶ 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).

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.

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, by mentioning their name, DP ID Client ID/ folio number, mobile number on or before Monday, June 19, 2023.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

21. 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.

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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 Annual 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 or contact on: - Tel: 022-49186175, 022-49186000 .

22. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORY 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 through their registered Email Id. in the records of RTA/Depository Participants.
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 through their registered Email Id. in the records of RTA/Depository Participants.

23. 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. Wednesday, June 14, 2023.
24. 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.
25. 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, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. 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.
27. 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. <https://www.rsystems.com/investors-info/annual-reports/> and on the website of Linkintime immediately after the declaration of result by the Chairman 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.
28. 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.

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

Item No. 3

Lt. Gen. Baldev Singh (Retd.), aged about 82 years has more than 56 years of experience, including handling top managerial, diplomatic and human resource development related assignments. Mr. Singh has a Masters in Military Sciences from the prestigious Madras University in India and attended two short courses at University of California at Berkeley, in Strategic Account Management and Marketing.

Lt. Gen. Baldev Singh (Retd.) was re-appointed as President and Senior Executive Director of the Company for a term of two years i.e. from April 01, 2021 to March 31, 2023 by shareholders of the Company at their Annual General Meeting held on May 19, 2021. The Board of Directors of the Company in their meeting held on March 31, 2023 have extended the tenure of Lt. Gen. Baldev Singh (Retd.) as President and Senior Executive Director for a period of 3 months till June 30, 2023.

Consequent to the acquisition of the Company by BCP Asia II Topco II Pte. Ltd. ("Acquirer"), Lt. Gen. Baldev Singh (Retd.) has tendered his resignation, as President and Senior Executive Director w.e.f. May 10, 2023. Considering the resignation tendered by Lt. Gen. Baldev Singh (Retd.), the shareholders need to approve and ratify the following remuneration given to Lt. Gen. Baldev Singh (Retd.) for the period starting from April 01, 2023 till May 10, 2023:

- Consolidated remuneration of ₹ 1,022,030/- (Rupees Ten Lakh Twenty Two Thousand Thirty only) for the aforesaid period.
- He will be entitled for a pro-rata incentive of ₹ 500,000/- (Rupees Five Lakh only).
- Reimbursement of telephone bills, internet bills for his residence and fuel and maintenance expenses subject to a maximum of ₹ 200,000 (Rupees Two Lakh Only).
- Medical Expenses incurred, for himself and his family only on actual incurred basis.

As on the date of this notice, Lt. Gen. Baldev Singh (Retd.), does not hold share of the Company. Apart from the employment benefits of R Systems, he does not have any pecuniary or other relationship with the Company. Further, he does not hold any office of director/ member in other company's board/ committee.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, but to the extent of their shareholding in the Company, in the proposed resolution set out at item No. 3.

The Board recommends passing of the resolution as set out under Item No. 3 as a Special resolution for approval by the Members.

Item no. 4, 5 and 6

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 10, 2023, appointed, Mr. Mukesh Gulraj Mehta (DIN: 08319159), Mr. Amit Dalmia (DIN: 05313886) and Mr. Animesh Agrawal (DIN: 08538625) as additional director in the capacity of non-executive directors of the Company w.e.f. May 10, 2023.

Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal, being additional directors as per the provisions of Section 161 of the Companies Act, 2013 (the "Act") holds office up to the date of the ensuing Annual General Meeting and are eligible to be appointed as a Director of the Company.

Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal are not disqualified from being appointed as a Directors under Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing under Section 160 of the Act from Members proposing their candidature for the office of Director.

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 and is on the board of these companies. 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. Prior to Carlyle, he worked in the Investment Banking Division at Citigroup

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and the Assurance & Business Advisory Group at Price Water House Coopers.

Mr. Amit Dalmia is Asia Head Portfolio Operations and Senior Managing Director in the Corporate Private Equity group of Blackstone. Mr. Dalmia has over 25 years of experience in leading businesses and creating value across multiple companies in diverse sectors. As part of Blackstone Private Equity (BX) leadership team in Asia, Mr. Dalmia is responsible for shaping Blackstone's business strategy, fund-raise, execution of new investments, and steering strategic and operational improvements across portfolio companies to enhance business performance and effect business turnarounds. With the strong returns to our Limited Partners, BX India has been the best performing geography within the firm globally and one of the best-performing private equity firms in India. Along with the leadership teams of the portfolio companies, Mr. Dalmia drives value creation strategy in Asia by defining and executing levers of growth and operating efficiencies. Projects he has spearheaded include Blackstone's investment in Mphasis (one of the largest private equity transactions in India), the NASDAQ listing of TaskUs and the exit of Intelenet. Mr. Dalmia is currently on the Boards of Mphasis and PGP Glass. Prior to BX, he was a part of the leadership team at Hindustan Unilever India.

Mr. Animesh Agrawal is a Principal in Blackstone's Private Equity Group. Since joining Blackstone in 2014, he has been involved in several of Blackstone's investments in India and South Asia, in the technology-enabled services

and consumer derivative sectors. He currently serves as a Director of EPL Limited and PGP Glass Private Limited. Previously, Mr. Animesh worked as a management consultant with McKinsey & Company.

The necessary information/disclosure in compliance with Regulation 36(3) of the Listing Regulations and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal has been provided in a separate section of this Notice.

None of the Directors, Key Managerial Personnel, except the appointee(s) and their relatives are concerned or interested, financially or otherwise, but to the extent of their shareholding in the Company, in the proposed resolutions set out at Item No. 4, 5 and 6.

The Board recommends passing of the resolutions as set out under Item No. 4, 5 and 6, as an ordinary resolution(s) for approval by the Members.

By Order of the Board
For **R Systems International Limited**

Date : May 10, 2023
Place : NOIDA

Bhasker Dubey
(Company Secretary &
Compliance Officer)

ANNEXURE A

Details of Directors seeking re-appointment and revision in Remuneration at the Annual General Meeting to be held on Wednesday, June 21, 2023 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI.

Name of Director	Mr. Animesh Agrawal	Mr. Amit Dalmia	Mr. Mukesh Mehta	Lt. Gen. Baldev Singh (Retd.)	Mr. Animesh Agrawal
Date of Birth	July 19, 1990	October 30, 1975	November 30, 1980	September 21, 1940	July 19, 1990
Date of Appointment	May 10, 2023	May 10, 2023	May 10, 2023	September 1, 1997	May 10, 2023
Qualifications	Mr. Animesh has received a Bachelor in Mechanical Engineering from Indian Institute of Technology Delhi. He holds an M.B.A. from the Stanford Graduate School of Business, where he was named a Siebel Scholar and an Arjay Miller Scholar.	Mr. Dalmia received a B.Com. (Hons.) from St. Xavier's College from the University of Kolkata, India. He is a Chartered Accountant (CA), Company Secretary (CS) and Cost Accountant (ICWA) and a three-time gold medalist for securing first-ranks in the country. He has undergone management training program with the Indian Institute of Management, Ahmedabad.	Mr. Mehta is a Chartered Accountant, with a Master's Degree in Commerce from Mumbai University. He has also completed CFA (AIMR-USA).	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 and is on the board of these companies.	Mr. Animesh Agrawal is a Principal in Blackstone's Private Equity Group. Since joining Blackstone in 2014, he has been involved in several of Blackstone's investments in India and South Asia, in the technology-enabled services and consumer derivative sectors. Previously, Mr. Animesh worked as a management consultant with McKinsey & Company.
Expertise in specific functional area	Mr. Animesh Agrawal is a Principal in Blackstone's Private Equity Group. Since joining Blackstone in 2014, he has been involved in several of Blackstone's investments in India and South Asia, in the technology-enabled services and consumer derivative sectors. Previously, Mr. Animesh worked as a management consultant with McKinsey & Company.	Mr. Amit Dalmia has over 25 years of experience in leading businesses and creating value across multiple companies in diverse sectors. As part of Blackstone Private Equity (BX) leadership team in Asia, Mr. Amit is responsible for shaping Blackstone's business strategy, fund-raise, execution of new investments, and steering strategic and operational improvements across portfolio companies to enhance business performance and effect business turnarounds. With the strong returns to our Limited Partners, BX India has been the best performing geography within the firm globally and one of the best-performing private equity firms in India.	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 and is on the board of these companies.	Mr. Animesh Agrawal is a Principal in Blackstone's Private Equity Group. Since joining Blackstone in 2014, he has been involved in several of Blackstone's investments in India and South Asia, in the technology-enabled services and consumer derivative sectors. Previously, Mr. Animesh worked as a management consultant with McKinsey & Company.	

Name of Director	Lt. Gen. Baldev Singh (Retd.)	Mr. Mukesh Mehta	Mr. Amit Dalmia	Mr. Animesh Agrawal
Directorship held in other Indian Companies as on date	Nil	<p>Busybees Logistics Private Limited</p> <p>VFS Global AG</p> <p>Simplilearn Solutions Private Limited</p> <p>PGP Glass Private Limited</p> <p>Aadhar Housing Finance Limited</p> <p>Nil</p>	<p>Mphasis Limited</p> <p>PGP Glass Private Limited</p> <p>Sprinkle Advisors LLP</p>	<p>EPL Limited</p> <p>PGP Glass Private Limited</p>
Membership/ Chairmanship in Committees of other companies*	Nil	Nil	<p>He holds the membership in following Committees of the board of Mphasis Limited:</p> <ol style="list-style-type: none"> Audit Committee (Member); ESOP Compensation Committee (Member); Corporate Social Responsibility Committee (Member); Treasury and Operations Committee (Member); Stakeholders Relationship Committee (Member); and Share Transfer Committee. <p>He also held following membership position in the following committees in S H Kelkar and Company Limited:</p> <ol style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee 	<p>He holds the membership in following Committees of the board of EPL Limited:</p> <ol style="list-style-type: none"> Stakeholder Relationship Committee (Chairman); Security Committee (Chairman); Audit Committee (Member); Corporate Social Responsibility Committee (Member); and Risk Management Committee (Member)
Number of shares held in Company#	Nil	Nil	Nil	Nil
Terms and conditions of appointment/ reappointment	As set out in the explanatory statement attached to the Notice to the 29 th AGM.	As set out in the explanatory statement attached to the Notice to the 29 th AGM.	As set out in the explanatory statement attached to the Notice to the 29 th AGM.	As set out in the explanatory statement attached to the Notice to the 29 th AGM.
No. of Board Meetings attended during the Financial year ended December 31, 2022	8 out of 8	NA	NA	NA
Relationships between Directors inter-se		Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal are associated with Blackstone Group. Apart from above, no director is related to other director.	Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal are associated with Blackstone Group. Apart from above, no director is related to other director.	Mr. Mukesh Mehta, Mr. Amit Dalmia and Mr. Animesh Agrawal are associated with Blackstone Group. Apart from above, no director is related to other director.

* covers only listed companies
As on May 10, 2023.



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)

www.rsystems.com


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

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

Email : rsi@rsystems.com
www.rsystems.com

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

Date: FEBRUARY 13, 2023

National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol – RSYSTEMS	BSE Limited P. J. Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code – 532735
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Dear Sir,

SUB: DECLARATION IN RESPECT OF UNMODIFIED OPINION ON AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2022 UNDER SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is with reference to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the “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 Standalone and Consolidated Financial Results of the Company for the financial year ended December 31, 2022.

This is for your information and record.

Thanking you.

Yours faithfully,

For R Systems International Limited

BHASKE R DUBEY
Digitally signed by
 BHASKER DUBEY
 Date: 2023.02.13
 13:16:29 +05'30'

Bhasker Dubey
(Company Secretary & Compliance Officer)