DRC SYSTEMS

The Company was originally incorporated as 'DRC Systems India Private Limited' as a private limited company under the Companies Act, 1956 and was granted the certificate of incorporation on April 27, 2012. Subsequently, pursuant to conversion into a Public Limited Company, the Name of our company was changed to 'DRC Systems India Limited' vide Fresh certificate of Incorporation consequent upon change of name dated December 23, 2019 issued by the Registrar of Companies, Ahmedabad . For details of change in name and Registered Office of our Company, please see chapter titled *"History and Certain Corporate Matters"* on page 58 of this Information Memorandum.

**Registered Office**: 24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5
GIFT City, Gandhinagar, Taluka & District - Gandhinagar – 382355
**Telephone: 079 - 6777 2222**
**Contact Person:** Mr. Jainam Shah – Company Secretary and Compliance Officer
**E-mail: jainam.shah@drcsystems.com website: www.drcsystems.com**

**PROMOTERS OF OUR COMPANY:**
**MR. HITEN ASHWINBHAI BARCHHA, MR. KIRIT KADVABHAI GAJERA, MS. SHIVBEN POPATBHAI SUTARIYA, MR. YOGESH POPATBHAI SUTARIYA, MS. AVNI HITEN BARCHHA, MR. AJAY MANJIBHAI PATEL**

**Information Memorandum for Listing of 38,65,356 Equity Shares of Rs. 10/- each fully paid up shares**

**No Equity Shares are proposed to be sold or offered pursuant to this Information Memorandum**

## GENERAL RISKS

Investments in equity and equity related securities involve a high degree of risk and Investors should not invest any funds in the equity shares of DRC Systems India Limited ("Company" / "DRC") unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, Investors must rely on their own examination of our Company including the risks involved. The equity shares of DRC have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. **Investors are advised to refer to the section titled *"Risk Factors"* on page of** 16 **the** Information Memorandum.

## COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Information Memorandum contains all information with regards to the Company, which is material , that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

## LISTING

The Equity Shares of the Company are Proposed to be listed on BSE Limited ("**BSE"**) and National Stock Exchange of India Limited ("**NSE**") For the purpose of Listing of Equity Shares pursuant to Scheme of Arrangement, **BSE** is the Designated Stock Exchange. The Company will be submitting the Information Memorandum with BSE and NSE and the same will be made available on Company's Website, www.drcsystems.com. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com) respectively.

## REGISTRAR AND SHARE TRANSFER AGENT

LINKIntime

**Link Intime India Private Limited**
506-508, Amarnath Business Centre - I (ABC- I),
Beside Gala Business Centre, Near St. Xavier's College Corner, Off. C. G. Road,
Ellisbridge, Ahmedabad - 380006
**Contact Person:** Mr. Nilesh Dalwadi
**Email:** ahmedabad@linkintime.co.in
**Tel:** +91 79 2646 5179/86/87
**SEBI Registration Number:**INR000004058
**CIN:** U67190MH1999PTC118368

DRC SYSTEMS INDIA LIMITED

## *Table of Contents*

## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

### Definitions

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

### Conventional and General Terms or Abbreviations

| Term | Description |
|---|---|
| "Rs." / "Rupees" / "INR" | Indian Rupees |
| A/c | Account |
| AGM | Annual General Meeting |
| AS / Accounting Standard | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| AY | Assessment Year |
| BIFR | Board for Industrial and Financial Reconstruction |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CARO | Companies (Auditor's Report) Order, 2016 |
| CDSL | Central Depository Services (India) Limited |
| Central Government | The Central Government of India |
| CIN | Corporate Identity Number |
| Companies Act | Companies Act, 2013 and Companies Act, 1956 to the extent as applicable |
| Companies Act, 1956 | Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the corresponding sections of the Companies Act, 2013). |
| Companies Act, 2013 | Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to a notification in this regard, issued from time to time by the Ministry of Corporate Affairs. |
| CTS | Cheque Truncation System |
| Depositories Act | The Depositories Act, 1996 as amended from time to time. |
| DIN | Director Identification Number |
| DP | Depository Participant as defined under the Depositories Act. |
| DP ID | Depository Participant's Identity |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EPS | Earnings per Share |
| EGM | Extraordinary General Meeting |
| FCNR Account / FCNR | Foreign Currency Non Resident Account |
| FDI | Foreign Direct Investment |
| FEMA Act / FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto. |
| FII | Foreign Institutional Investor, as defined under Regulation 2(1)(g) of the |

| Term | Description |
|---|---|
| | SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India. |
| Fiscal /Fiscal Year/ Financial Year/FY | 12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year. |
| Government/GoI | Government of India |
| GST | Goods and Service Tax |
| HUF | Hindu Undivided Family |
| ICAI | Institute of Chartered Accountants of India |
| ICDR Regulations/ SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time. |
| IFRS | International Financing Reporting Standards |
| Ind AS | Indian Accounting Standards |
| Indian GAAP | Generally accepted accounting principles followed in India. |
| Insider Trading Regulations | SEBI (Prohibition of Insider Trading) Regulations, 2015 |
| ISIN | International Securities Identification Number allotted by the Depository. |
| I.T. Act / IT Act | Income Tax Act, 1961 |
| I. T. Rules | Income Tax Rules, 1962, as amended from time to time. |
| Lakh | One hundred thousand |
| MAT | Minimum Alternate Tax |
| MCA | Ministry of Corporate Affairs, Government of India |
| N.A. | Not Applicable |
| NI Act | Negotiable Instruments Act, 1881 |
| NR | Non Resident |
| NSDL | National Securities Depositories Limited |
| p.a. | Per Annum |
| PAN | Permanent Account Number |
| RBI | Reserve Bank of India |
| RTGS | Real Time Gross Settlement |
| SCORES | SEBI Complaints Redress System |
| SCRA | The Securities Contracts (Regulation) Act, 1956, as amended from time to time. |
| SCRR | The Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |
| SEBI | The Securities and Exchange Board of India, constituted under the SEBI Act, 1992. |
| SEBI Act | The Securities and Exchange Board of India Act 1992, as amended from time to time. |
| SEBI Listing Regulations/ Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Takeover Regulations/ SAST Regulations | SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985. |
| U.S/United States | The United States of America |
| USD / US$ | United States Dollars |

**Scheme Related Terms**

| Terms | Description |
| --- | --- |
| “Appointed Date” | 1st day of April 2020 or such other date as may be approved by the National Company Law Tribunal (‘NCLT’) or by any other competent authority; |
| “Demerged Companies” | shall mean Infibeam and NSI |
| “Demerged Undertakings” | SME E-Commerce Services Undertaking, E-Commerce Business Undertaking and Themepark & Event Software Undertaking; |
| “Effective Date” | The date on which the certified copy of the order of NCLT under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 sanctioning the Scheme is filed with the Registrar of Companies, Gujarat, at Ahmedabad; |
| “Record Date” | The date to be fixed by the Board of Directors of Suvidhaa and DRC for the purpose of determining the shareholders of Infibeam and NSI, as the case may be, to whom shares of Suvidhaa and DRC shall be allotted pursuant to Demerger under this Scheme; |
| “SEBI Circular” | The circular no. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017 issued by SEBI, and any amendments thereof, modifications issued pursuant to regulations 11, 37, 94 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; |

**Company Related Terms**

| Terms | Description |
|---|---|
| "DRC" or "Company" | means DRC Systems India Limited, a public company incorporated with limited liability under the provisions of the Companies Act, 1956 with its registered office at 24th Floor, GIFT-II Building, Block No. 56, Road-5C, Zone-5, Gift City Gandhinagar, Gandhinagar - 382355, Gujarat, India |
| Articles of Association | The Articles of Association of our Company as amended from time to time. |
| Auditors / Statutory Auditor | The Statutory Auditors of our Company being Rajpara Associates, Chartered Accountants. |
| Board/ Board of Directors/ our Board | The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to. |
| Director(s) | Any or all the director(s) of our Board, as may be appointed from time to time. |
| Equity Shares / Shares | Equity Shares of face value of Rs.10/- each of our Company. |
| Key Managerial Personnel / KMP | Key Personnels as per Companies Act viz. Managing Director, Company Secretary and Chief Financial Officer. |
| Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time. |
| Promoter | Mr. Hiten Ashwinbhai Barchha, Mr. Kirit Kadvabhai Gajera, Ms. Shivben Popatbhai Sutariya, Mr. Yogesh Popatbhai Sutariya, Ms. Avni Hiten Barchha, Mr. Ajay Manjibhai Patel |
| Registered Office | 24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5 GIFT City, Gandhinagar, Taluka & District - Gandhinagar – 382355 |
| Registrar of Companies/ROC | Registrar of Companies, Gujarat, located at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013. |

**Business and Industry related Terms/Abbreviations**

| Term | Description |
|---|---|
| API | Application Programming Interface |
| B&M | Brick and Mortar |
| B2B | Business to Business |
| B2C | Business to Consumer |
| COD | Cash on Delivery |
| EMI | Equated Monthly Instalment |
| GMV | Gross Merchandise Value |
| IAMAI | Internet and Mobile Association of India |
| IT | Information Technology |
| SaaS | Software as a Service |
| SEO | Search Engine Optimisation |
| SME | Small and Medium Enterprise |
| SOR Model | System of Record Model |
| VAS | Value Added Service |
| SAC | Space Application Centre |
| SDK | Software Development Kit |

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

## *CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION*

### Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Information Memorandum to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

### Financial Data

Unless stated otherwise, financial information and data in this Information Memorandum, with respect to our Company, is derived from our audited financial statements for the FY ended on March 31, 2020. For further details please see the chapter titled *"Financial Statements"* on page 83. We publish our financial statements in Indian Rupees.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular "Financial Year" or "Fiscal Year" or "Fiscal" are to the 12 (twelve) month period ended March 31 of that year.

Our audited financial statements as of and for Fiscal Year ended March 31, 2020 ("**Financial Statements**") form a part of this Information Memorandum have been prepared by our Company in accordance with IND AS and guidance notes issued by the ICAI, the Companies Act and other applicable statutory and / or regulatory requirements. For further details of such Financial Statements, please see chapter titled "*Financial Statements*" on page 83 of this Information Memorandum.

There may be some differences between IND AS and IFRS; accordingly, the degree to which the IND AS financial statements included in the information Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian Accounting practices and IND AS. Any reliance by Persons not familiar with Indian accounting practices on the financial disclosures presented in the Information Memorandum should accordingly be limited, We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

All numerical values as set out in this Information Memorandum for the sake of consistency and convenience have been rounded off to two decimal places. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

We publish our Financial Statements in Indian Rupees.

### Currency of Presentation

All references to 'INR', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of the Republic of India. Unless stated otherwise, throughout this Information Memorandum, all figures have been expressed in Rupees in lakh.

## Use of Market Data

Unless stated otherwise, market data used throughout the Information Memorandum has been obtained from internal Company reports, data, and websites and industry publications. Industry publication data and website data generally slate that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, although, we believe that data used in the Information Memorandum is reliable. It has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

***FORWARD LOOKING STATEMENTS***

Our Company has included statements in this Information Memorandum which contain words or phrases such as 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'future', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Information Memorandum (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- The impact of an outbreak of any contagious diseases (including the prolonged outbreak of COVID-19);
- Any failure or disruption of our information technology system;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in opening costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "*Risk Factors*" beginning on page 16 of this Information Memorandum. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Information Memorandum or the respective dates indicated in this Information Memorandum, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

## SECTION II – INFORMATION MEMORANDUM SUMMARY

This Section is a summary of specific disclosures *included in this Information Memorandum and it is not exhaustive nor it purports to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the Information summarized below, please refer to the relevant sections of this Information Memorandum.*

### Summary of the Industry

India has become the digital capabilities hub of the world with around 75% of global digital talent present in the country. India is the leading sourcing destination across the world, accounting for approximately 55% market share of the US$ 200–250 billion global services sourcing business in 2019–20. Indian IT & BPM companies have set up over 1,000 global delivery centres in about 80 countries across the world.

### Summary of our Business

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

### Our Promoter

**Promoters of DRC:**

| Sr. No. | Name |
|---|---|
| 1 | Mr. Hiten Ashwinbhai Barchha |
| 2 | Mr. Kirit Kadvabhai Gajera |
| 3 | Ms. Shivben Popatbhai Sutariya |
| 4 | Mr. Yogesh Popatbhai Sutariya |
| 5 | Ms. Avni Hiten Barchha |
| 6 | Mr. Ajay Manjibhai Patel |

### Shareholding of our Promoter and Members of Promoter Group

As on the date of this Information memorandum, the shareholding of the Promoters and the members of our Promoter Group are detailed below:

| Name | Shares | % of total shares |
|---|---|---|
| **Promoters:** | | |
| Mr. Hiten Ashwinbhai Barchha | 89,891 | 2.33 |
| Mr. Kirit Kadvabhai Gajera | 1,12,558 | 2.91 |
| Ms. Shivben Popatbhai Sutariya | 4,50,000 | 11.64 |
| Mr. Yogesh Popatbhai Sutariya | 4,50,696 | 11.66 |
| Ms. Avni Hiten Barchha | 167 | 0.00 |
| Mr. Ajay Manjibhai Patel | 83 | 0.00 |
| | | |
| **Promoters' Group:** | | |
| **Natural Persons** | | |
| Mr. Ashwin Barchha | 0.00 | 0.00 |
| Ms. Meena Barchha | 0.00 | 0.00 |
| Ms. Shraddha Rajdev | 0.00 | 0.00 |

| | | |
|---|---|---|
| Mr. Rhythm Barchha | 0.00 | 0.00 |
| Mr. Praful Samani | 0.00 | 0.00 |
| Ms. Neelam Samani | 0.00 | 0.00 |
| Mr. Ritesh Samani | 0.00 | 0.00 |
| Ms. Mital Kiritkumar Gajera | 0.00 | 0.00 |
| Ms. Kantaben Kadvabhai Gajera | 0.00 | 0.00 |
| Mr. Ashvinbhai Kadvabhai Gajera | 0.00 | 0.00 |
| Ms. Nitaben Lalitkumar Dobariya | 0.00 | 0.00 |
| Ms. Meera Kiritkumar Gajera | 0.00 | 0.00 |
| Mr. Madhav Kiritkumar Gajera | 0.00 | 0.00 |
| Ms. Vimala Sutariya | 0.00 | 0.00 |
| Mr. Ambabhai Patel | 0.00 | 0.00 |
| Ms. Savitaben Patel | 0.00 | 0.00 |
| Mr. Mahesh Sutariya | 0.00 | 0.00 |
| Mr. Jayeshkumar Patel | 0.00 | 0.00 |
| Ms. Varshaben Mayani | 0.00 | 0.00 |
| Mr. Rohan Yogeshbhai Sutariya | 0.00 | 0.00 |
| Mr. Harsh Yogeshbhai Sutariya | 0.00 | 0.00 |
| Mr. Diyalbhai Italiya | 0.00 | 0.00 |
| Mr. Dayabhai Italiya | 0.00 | 0.00 |
| Mr. Harjibhai Sutariya | 0.00 | 0.00 |
| Ms. Kantaben Bhingradya | 0.00 | 0.00 |
| Ms. Rupali Dakhole | 0.00 | 0.00 |
| Ms. Virumatiben Patel | 0.00 | 0.00 |
| Ms. Leenaben Mendapara | 0.00 | 0.00 |
| Ms. Shorya Amdhare | 0.00 | 0.00 |
| **Body Corporate** | | |
| Pushtisanskar Panchgavya Private Limited | 0.00 | 0.00 |
| Yogiraj Buildcon Private Limited | 0.00 | 0.00 |

**Financial Information**

Following are details as per the restated financial statement of the Company for the Financial Year ended March 31, 2020 and for the period ended September 30, 2020.

(Amount in Rs. million)

| Particulars | September 2020 (Post Scheme) | March 2020 |
|---|---|---|
| **Equity Share Capital** | 22.50 | 22.50 |
| **Networth** | 54.22 | 23.97 |
| **Total Income** | 95.25 | 116.26 |
| **Profits After Tax** | (6.86) | 0.11 |
| **Earnings per share (Basic and Diluted) (In Rs.)** | (1.78) | 0.34 |
| **Total Borrowings** | 0.00 | 0.00 |

**Auditors Qualification**

There have been no qualifications or adverse remarks by our Auditors in the restated financial statement of the Company for the financial year ended March 31, 2020 and for the period ended September 30, 2020.

**Outstanding Litigations**

For Litigations by and Against our Company, For Litigations Involving our Directors, Promoters and Group Companies, please see section titled "Outstanding litigations and Material Developments" given on page no. 117.

**Risk Factors**

For details of the Risks applicable to our Company, please see section titled "Risk Factors" given on page 16 of the Information Memorandum.

**Contingent liabilities**

There exists no Contingent liabilities as per the restated financial statements of the Company as at March 31, 2020 and September 30, 2020.

**Related Party Transactions**

(INR in Millions)

| Related Party | Particulars | September 30, 2020 | March 31, 2020 |
|---|---|---|---|
| Infibeam Avenues Limited | Services Taken | 48.87 | 22.01 |
| NSI Infinium Global Limited | Reimbursement of Expenses From - Other Expenses | 0.00 | 11.33 |
| Infibeam Avenues Limited | Reimbursement of Expenses From - Other Expenses | 0.03 | 0.38 |
| Odigma Consultancy Solutions Private Limited | Reimbursement of Expenses From - Other Expenses | 1.49 | 0.00 |
| Infibeam Avenues Limited | Reimbursement of ESOP Expense | 3.61 | 8.79 |
| NSI Infinium Global Limited | Interest Expenses | 0.00 | 0.79 |
| Infibeam Avenues Limited | Interest Expenses | 0.08 | 0.25 |
| Infibeam Avenues Limited | Loan Taken | 10.66 | 18.95 |
| NSI Infinium Global Limited | Loan Taken | 0.00 | 2.70 |
| Infibeam Avenues Limited | Repayment of Loan Taken | 10.66 | 18.95 |
| NSI Infinium Global Limited | Repayment of Loan Taken | 0.00 | 33.00 |
| Cardpay Technologies Private Limited | Loan Given | 4.10 | 0.00 |
| NSI Infinium Global Limited | Loan Given | 1.20 | 0.00 |
| Cardpay Technologies Private Limited | Repayment of Loan Given | 4.10 | 0.00 |
| NSI Infinium Global Limited | Repayment of Loan Given | 1.20 | 0.00 |
| Cardpay Technologies Private Limited | Interest Income | 0.07 | 0.00 |
| NSI Infinium Global Limited | Interest Income | 0.01 | 0.00 |

**Financing Arrangements**

There are / have been no financing arrangements whereby the Promoter, member of Promoter Group, the Directors/Partners of our Promoter Group, Directors of our Company and their relatives have financed the purchase by any person of securities of our company during the period of six months immediately preceding the date of this Information Memorandum.

**Weighted Average Price of Securities**

Except pursuant to the Scheme, our Promoters have not acquired any Equity Shares of the Company during last 1 (One) year preceding the date of this Information memorandum.

**Average cost of acquisition of Shares**

Not Applicable

**Issue of shares for consideration other than Cash**

Other than pursuant to the scheme our company has not issued any Equity Shares during last 1 (One) Year preceding the date of this Information Memorandum for consideration other than cash.

**Split or consolidation of Shares**

Our Company has not undertaken a split or consolidation of the Equity Shares during last 1 (One) year preceding the date of this Information Memorandum.

## SECTION III - RISK FACTORS

### *RISK FACTORS*

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares. Additionally, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. In making an investment decision, prospective investors must rely on their own examinations and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the shares of the Company. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

### MATERIALITY

The Risk Factors contained herein have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risks may not be material at the time of making the disclosures in this Information Memorandum but may have a material impact in the future.

### INTERNAL RISK FACTORS

1. ***Our Company is involved in few legal proceedings, which if determined against us, could have an adverse impact on our business and the results of operations.***

   Our Company is involved in few legal proceedings which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and other parties. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our business and the results of operations. A summary of material outstanding legal proceedings as of date of this Information Memorandum, to the extent quantifiable, are set out below:

| Nature of Cases | | No. of Outstanding Cases | Amount Involved (in Lakh) |
|---|---|---|---|
| *Against Our Company* | | | |
| (i) | Civil | 1 | 96.51 |
| (ii) | Criminal | - | - |
| **Total** | | **1** | **96.51** |
| *By Our Company* | | | |
| (i) | Civil | - | - |
| (ii) | Criminal | - | - |

| Nature of Cases | No. of Outstanding Cases | Amount Involved (in Lakh) |
|---|---|---|
| **Total** | **-** | **-** |

For further details, please see chapter titled "*Outstanding Litigations and Material Developments*" on page 117 of this Information Memorandum. The Company cannot assure you that these legal proceedings will be decided in our favor. Such legal proceedings could divert management time and attention and consume financial resources in their defense or prosecution.

2. ***We do not own the property where our corporate office is situated. If we are unable to renew any of our leases or licenses, it may affect our business and financial condition.***

Our Company undertakes business from our corporate office, which is situated on a property taken on lease vide a deed dated December 02, 2020 for a lease period of 10 (Ten) months commencing from October 01, 2020. If the agreement under which we occupy the premises is not renewed or is renewed on terms and conditions that are unfavorable to us, we may suffer some temporary disruption in our business.

3. ***We are subject to risks arising from exchange rate fluctuations, which could adversely affect the financial results of our Company.***

Uncertainties in the global financial markets may have an adverse impact on the exchange rate between INR and other currencies. The exchange rate between INR and other currencies is variable and may continue to remain volatile in the future depending upon the foreign exchange reserve position of India. Any appreciation of the INR against other currencies may lead to reduction in the realization of our revenues. Accordingly, volatility in the exchange rate would adversely affect the financial results of our Company.

4. ***We rely on information technology systems, networks and infrastructure to operate our business and any Interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively deliver our products and services. Further, internet penetration in India is limited and may not increase in the future. If the internet infrastructure suffers interruptions, breakdowns or reduced growth, it may adversely affect our business and results of operations.***

Our business is technology driven, and we rely on information technology and networks and related infrastructure. As such, our business operations and quality of our service depend significantly on the efficient and uninterrupted operation and reliability of our information technology systems and networks and related infrastructure, both internal and external.

Internet penetration in India is limited and, though it has been increasing over the past few years, there can be no assurance that internet penetration in India will increase in the future as slowdowns or disruptions in upgrading efforts for infrastructure in India could reduce the rate of increase in the use of the internet. Further, any slowdown or negative deviation in the anticipated increase in internet penetration in India will affect our ability to attract and add new merchants and customers.

Further, our systems are vulnerable to damage or interruption as a result of natural disasters, power loss, technical failures, undetected errors or viruses in our software, computer viruses, corruption or loss of electronically stored data, hardware damage, disruption in communications access or infrastructure, electronic intrusion attempts, break-ins, sabotage, vandalism and other similar events. There can be no assurance that we will be able to eliminate or alleviate the risks arising from such contingencies. In addition, our systems and software may contain undetected errors, defects or bugs, which we may not be able to detect and repair, in time or in a cost-effective manner, or at all. Any damage to or failure of our systems could lead to loss of data or interruptions or delays, thereby impairing our ability to effectively provide our services.

In addition, to perform reliably, the internet infrastructure requires maintenance and periodic upgrading of the appropriate networks and infrastructure which are beyond our control. Our success will depend upon third parties maintaining and improving the internet infrastructure to provide a reliable network with speed and adequate data capacity and telecommunication networks with good clarity and lower congestion. In particular, the internet has experienced, and is likely to continue to experience, significant growth in the number of users and amount of traffic. The existing internet infrastructure may not be able to support such continued growth in users and traffic, and the increasing number of users, bandwidth requirements, problems caused by computer viruses and bugs may affect the performance of the internet, leading to a variety of outages and other delays. These outages and delays could reduce the level of internet usage generally and in turn may affect our business. Further, we cannot assure that a more technologically sophisticated and reliable fixed telecommunications network or internet infrastructure will be developed in India or any other region that we may operate in. This may adversely affect our growth prospects in the future.

5. ***Our projects have a long gestation period and our accounting statements reflect the financial performance of the projects undertaken and/or completed in a particular period. A comparison of our financial performance over different periods may not reflect or accurately predict the future growth and performance of our Company.***

Our projects are spread over a long period of time and our accounting statements may continue to be subject to variations depending on the stage of the projects. This may cause us to record higher revenue in certain periods compared to others. In addition, if our rate of growth slows over time, variations in our accounting statements may become more pronounced, and the results of operations and financial condition may be adversely affected.

6. ***Our Company may not have sufficient insurance coverage to protect us against possible losses arising from loss of assets.***

Our operations and premises are subject to inherent risks, such as defects, fire, riots, strikes, explosions, and natural disasters. While our Company has procured insurance, the same may not be adequate in all instances and may not cover all causes of damage. Thus, in the event of any actual loss or damage, the insurance proceeds may not be adequate to fully cover the substantial liabilities, losses in revenue or increased expenses which our Company may incur on account of such damages. Any large un-insured loss suffered by our Company, may have an adverse impact on our business, the results of operations and financial condition.

7. ***If we fail to attract and retain highly skilled IT professionals, we may not have the necessary resources to properly staff projects, and failure to successfully compete for such IT professionals could materially adversely affect our business, financial condition and results of operations.***

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

We may encounter higher attrition rates in the future. A significant increase in the attrition rate among skilled IT professionals with specialised skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services. The competition for highly-skilled IT professionals may require us to increase salaries, and we may be unable to pass on these increased costs to our customers. This would increase our operational costs which may adversely affect our business, results of operations and financial condition. In addition, our ability to maintain and renew existing engagements and obtain new business will depend, in large part, on our ability to attract, train and retain skilled IT professionals, including experienced management IT professionals, which enables us to keep pace with growing demands for outsourcing, evolving industry standards and changing customer preferences. If we are unable to attract and retain the highly skilled IT professionals we need, we may have to forgo projects for lack of resources or be unable to staff projects optimally. Our failure to attract, train and retain IT professionals with the qualifications necessary to fulfil the needs of our existing and future customers or to assimilate new IT professionals successfully could materially adversely affect our business, financial condition and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

Companies engaged in the technology industry are required to provide a greater deal of employee satisfaction and morale through providing professional incentives and enable digital maturity through collaborative support from the workforce. Further, companies engaged in the technology industry have been struggling with rising attrition rates *(Source: Frost & Sullivan Report)*. Further, there is a limited pool of individuals who have the skills and training needed to help us grow our Company, including a shortage of employees skilled in emerging technologies like artificial intelligence, machine learning, blockchain, Internet of Things, cybersecurity and data analytics (*Source*: Frost & Sullivan Report). We compete for such talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services, financial services and technology generally, among others. High attrition rates of IT professionals would increase our hiring, reskilling, upskilling and training costs and could have an adverse effect on our ability to complete existing contracts in a timely manner, meet customer objectives and expand our business.

**8.** ***If we fail to integrate newly acquired businesses undertaking efficiently, or do not perform to our expectations, we may not be able to realise the benefits envisioned for such acquisitions, and our overall profitability and growth plans could be materially adversely affected.***

Integrating the operations of acquired businesses successfully or otherwise realising any of the anticipated benefits of acquisitions, including anticipated cost savings and additional revenue opportunities, involves a number of potential challenges. These integration activities are complex and time-consuming, and we may encounter unexpected difficulties or incur unexpected costs, including:

Diversion of management attention from on-going business concerns to integration matters;

- our inability to achieve the operating synergies anticipated in the acquisitions;
- possible cash flow interruption or loss of revenue as a result of transitional matters;
- unforeseen or undisclosed liabilities and integration costs;
- incurring liabilities from the acquired businesses for infringement of intellectual property rights or other claims for which we may not be successful in seeking indemnification
- generating sufficient revenues and net income to offset acquisition costs;
- potential loss of, or harm to, employee or customer relationships;
- entry into unfamiliar markets;

Acquisitions also frequently result in the recording of goodwill and other intangible assets which are subject to potential impairment in the future that could harm our financial results. We are also become subject to new regulations as a result of an acquisition, including if we acquire a business serving customers in a regulated industry or acquire a business with customers or operations in a country in which we do not already operate.

**9.** ***Our profitability will suffer if we are not able to maintain our resource utilisation levels and productivity levels.***

Our profitability is significantly impacted by our utilisation levels of fixed-cost resources, including human resources as well as other resources such as computers and office space, and our ability to increase our productivity levels. We have expanded our operations significantly in recent years through organic growth and strategic acquisitions, which has resulted in a significant increase in our headcount and fixed overhead costs.

Some of our IT professionals are specially trained to work for specific customers or on specific projects. Our ability to manage our utilisation levels depends significantly on our ability to hire and train high-performing IT professionals and to staff projects appropriately and on the general economy and its effect on our customers and their business decisions regarding the use of our services.

If we experience a slowdown or stoppage of work for any customer or on any project for which we have dedicated IT professionals or facilities, we may not be able to efficiently reallocate these IT professionals and facilities to other customers and projects to keep their utilisation and productivity levels high.

**10.** ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

**11.** ***Undetected software design defects, errors or failures may result in loss of or delay in market acceptance of our services or in liabilities that could materially adversely affect our business, financial condition and results of operations.***

Our software development solutions involve a high degree of technological complexity and have unique specifications which could contain design defects or software errors such as errors in coding or configuration that are difficult to detect and correct. Errors or defects may result in the loss of current customers and loss of, or delay in, revenues, loss of market share, loss of customer data, a failure to attract new customers or achieve market acceptance, diversion of development resources and increased support or service costs. We cannot assure you that, despite testing by us and our customers, errors will not be found in new software product development solutions, which could result in litigation and other claims for damages against us and thus could materially adversely affect our business, financial condition and results of operations.

12. ***Our Company's future success depends upon our ability to effectively implement our business and growth strategies, failing which, our growth and business may be adversely affected.***

Our Company's success will depend substantially on our ability to effectively implement our business and growth strategies. Our Company may not be able to execute our strategies in a timely manner or within our budget estimates or be able to meet the expectations of our consumers and other stakeholders. We believe that our Company's business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Any inability to manage our business and growth strategies may adversely affect our Company's business, prospects, the results of operations and financial condition.

13. ***Our success largely depends upon our Promoter as well as our KMPs. Any loss of our senior managerial personnel could adversely affect the results of operations and our financial condition.***

Our experienced Promoter and Promoter Group as well as our KMPs have had significant contribution to our business, and our future success is dependent on their continued service, expert skills and knowledge. In the event of resignation or cessation of playing an active role in our business and growth plans, by any individual from our Promoter and Promoter Group or our KMPs, we may find it difficult to find a substitute for the talent and skills lost by us. Opportunities for KMPs in our industry are intense and it is possible that we may not be able to retain our existing KMPs or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of any individual from our Promoter and Promoter Group or our KMPs could adversely affect our business, the results of operations and financial condition and may also have an adverse impact on our goodwill.

14. ***The present working and future success of our Company is correlated to high performing individuals and overall skill development of the employees.***

The present working and future success of our business significantly depends upon the quality of products and services provided by us. This quality is directly proportionate to the talent, knowledge and performance of the human resource hired, retained and utilized by us. From time to time, it may be difficult to attract and retain qualified individuals with requisite expertise required for our business demands, and we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel. If we are unable to infuse new talent, retain talent or invest in skill development of our human resources, it could have a material adverse impact on the results of operations and our financial condition.

15. ***Failure to perform or observe any contractual obligations could result in cancellation or non-renewal of a contract, which could cause us to experience a higher than expected number of unassigned employees and an increase in our expenses as a percentage of revenues, until we are able to reduce or reallocate our headcount and may adversely affect our business, results of operations and financial condition.***

The ability of our customers to terminate agreements makes our future revenues from operations uncertain. We may not be able to honour certain contractual obligations, which could lead to termination of agreements and further, we may not be able to replace any customer that elects to terminate or not renew its contract with us, or renew a contract with us on unfavourable terms, which could materially adversely affect our business, financial condition and results of operations.

16. ***Our Company may be affected by changes in technology that relate to our business.***

Our Company operates in the technology industry which is constantly changing and is significantly governed and affected by scientific breakthroughs, developments, innovation, government policy and laws pertaining to information technology as well as intellectual property. These factors can affect the demand, pricing and value of our products and services which have already been developed and which are in the course of being developed. Our continued growth will depend upon our ability to sustain cutting edge technology solutions, adapt to the updated/superior/modified technology which we may be required to use with time and to train our executives in order to utilize the technology and the talents of our human resource to their maximum potential. In the event that we fail to adapt and match pace with the growth in technology and adoption of the same through sufficient training of our executives, the same may adversely affect our business, prospects, the results of operations and financial condition.

**17.** ***Our ability to pay dividend in the future will depend upon future earnings, financial conditions, cash flows, working capital and capital expenditure requirements.***

Our Company has not declared and paid dividend in the past. Our Company cannot give any assurance that dividend will be paid in future. The declaration and payment of any dividend in the future will be recommended by our Board of Directors, at their discretion, and will depend on a number of factors like our earnings, cash generated from operations, capital requirements and overall financial condition of our Company.

**18.** ***We have in the past experienced, and may in the future experience, a long selling and implementation cycle with respect to certain projects that require us to make significant resource commitments prior to realising revenue for our services.***

We have experienced, and may in the future experience, a long selling cycle with respect to certain projects that require significant investment of human resources and time by both our customers and us. Before committing to use our services, potential customers may require us to expend substantial time and resources educating them on the value of our services and our ability to meet their requirements. Therefore, our selling cycle is subject to many risks and delays over which we have little or no control, including our customers' decision to choose alternatives to our services (such as other technology and IT service providers or in-house resources) and the timing of our customers' budget cycles and approval processes. If our sales cycle unexpectedly lengthens for one or more projects, it would negatively affect the timing of our revenue and hinder our revenue growth. For certain customers, we may begin work and incur costs prior to executing the contract. A delay in our ability to obtain a signed agreement or other persuasive evidence of an arrangement, or to complete certain contract requirements in a particular quarter, could reduce our revenue in that quarter or render us entirely unable to collect payment for work already performed.

**19.** ***Our revenues are highly dependent on a limited number of industry verticals, and any decrease in demand for outsourced services in these industry verticals could reduce our revenues and materially adversely affect our business, financial condition and results of operations.***

A downturn in any of our targeted industry verticals, a slowdown or reversal of the trend to outsource IT services in any of these industries or the introduction of regulations that restrict or discourage companies from outsourcing could result in a decrease in the demand for our services and adversely affect our business, financial condition and results of operations. For example, significant consolidation in the banking and financial industries may reduce the demand for our services and negatively affect our revenues and profitability.

Other developments in these industries may also lead to a decline in the demand for our services in these industry verticals, and we may not be able to successfully.

**20.** ***Our ability to expand our business and procure new contracts or enter into beneficial business arrangements could be affected by non-competition clauses in our agreements with existing customers.***

Some of our agreements with customers contain time-based restrictions on reassigning personnel from those customers' accounts to the accounts of competitors of such customers. These clauses may restrict our ability to offer services to different customers in a specific industry or market. Moreover, we may in the future enter into agreements with customers that restrict our ability to accept assignments from, or render similar services to, those customers' customers, require us to obtain our customers' prior written consent to provide services to their customers or restrict our ability to compete with our customers, or bid for or accept any assignment which our customer is bidding for or is negotiating. These restrictions may hamper our ability to compete for and provide services to other customers in a specific industry in which we have expertise and could materially adversely affect our business, financial condition and results of operations.

**21.** ***The proper functioning of our websites is essential to our business and any failure to maintain the satisfactory performance, security and integrity of our websites will materially and adversely affect our business, reputation, financial condition and results of operations.***

The satisfactory performance, reliability and availability of our websites, our transaction-processing systems and our network infrastructure are critical to our success and our ability to attract and retain customers and maintain adequate customer service levels. Any system interruptions caused by computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown or reduced fulfilment of performance of our systems. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to interruptions, delays, loss of data or the inability to accept and fulfill customer orders. We may also experience interruptions caused by reasons beyond our control. There can be no assurance that such unexpected interruptions will not happen, and any such future occurrences could damage our reputation and result in a material decrease in our revenues.

We periodically upgrade and expand our systems, and in the future, we will continue to further upgrade and expand our systems and to integrate newly developed or purchased software with our existing systems to support increased transaction volume. Any inability to add additional software and hardware or to develop and upgrade our existing technology, transaction-processing systems or network infrastructure to accommodate increased traffic on our website or increased sales volume through our transaction-processing systems may cause unanticipated system disruptions, slower response time, degradation in levels of customer service which would have a material adverse effect on our business, reputation, financial condition and results of operations.

**22.** ***Online transactions are susceptible to certain risks including payment risks, objectionable and undesirable content on our websites, resulting from breach of our security systems or misappropriation of customer information by third parties on whom we rely upon for certain services or by our employees could result in a material adverse effect on our reputation, business, prospects, financial condition and results of operations.***

Secure transmission of confidential information, such as details of customers' credit card, net banking passwords etc. over public networks is one of the significant barriers to online commerce and communication. We rely on encryption and authentication technology licensed from third parties to provide security and authentication which is necessary to effect secure transmission of confidential information for our client's work order. There can be no assurances that advances in computer technology, new discoveries in the field of cryptography, or other developments will not result in breach or compromise of the algorithms which are currently used by us for protecting the transaction data of our customers. If any such breach or compromise occurs, it could have a material adverse effect on our reputation, business, prospects, financial condition and results of operations. Any person who is able to circumvent our security measures could misappropriate proprietary information and/ or cause interruptions in our operations. Further, we may be required to spend significant capital and other resources to protect against such breach or compromise as well as take necessary action to eliminate problems caused by such breaches. Further, concerns about the security of the internet, online transactions and privacy of the users may also adversely affect the growth of internet and other online services which are offered especially internet as a means of conducting commercial transactions, which in turn may affect our growth.

Transmission and storage of confidential and proprietary information by us or any of our service providers could potentially expose us to loss, liabilities and/ or litigation in case of any breach or compromise of such information as well as adversely affect our reputation. There can be no assurance that our security measures will prevent such security breaches or that the failure to prevent such breaches or compromises will not have an adverse effect on our reputation, business, prospects, financial condition and results of operations.

In addition, there can be no assurance that the confidentiality and non-disclosure agreements entered into with our employees will adequately prevent the disclosure of confidential information, such as the information relating to our customers, by an employee. We may not have sufficient internal controls and processes to ensure that our employees and sub-contractors comply with their obligations under such confidentiality and nondisclosure agreements. If any confidential information is misappropriated by our employees, our customers may raise claims against us for breach of our contractual obligations. The IT Act provides for civil and criminal liability including fines and imprisonment for various computer related offenses, which includes unauthorized disclosure of confidential information and failure to protect sensitive personal data. The Government has notified various rules under the IT Act, pertaining to handling, disclosure and protection of sensitive personal data and in relation to storing, transmitting and providing any services with respect to electronic messages.

In addition, it is possible that certain third parties may assume our identity to circulate spam e-mails or viruses. While we continue to take all standard precautions in this regard, we cannot assure you that we will be able to promptly and effectively deal with such instances of identity theft. Although our security systems have not been breached or compromised in the past, any such breach could result in objectionable and/or undesirable content on our e-commerce marketplace, and could potentially expose us to loss, liabilities and/ or litigation as well as adversely affect our reputation. The occurrence of any such events in the future could lead to user dissatisfaction and discourage the use of our services. Such events may also give rise to complaints and actions against us. There can be no assurance that our security measures and content filtering systems will prevent such objectionable or undesirable contents from being exhibited on our platforms, or that the failure to prevent such objectionable or undesirable content from being exhibited on our platforms will not have an adverse effect on our reputation, business, prospects, financial condition and results of operations.

**23.** ***Our insurance coverage may be inadequate to satisfy future claims against us.***

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including fire, burglary, group medical and personal accident insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Our insurance policies contain certain deductibles, exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

**24.** ***We may not be able to reduce our dependency on search engines to direct users to our website.***

We depend on various internet search engines such as Google to drive a substantial portion of our online traffic to our website. We also conduct search engine marketing, where the links to our website are placed on the results of a user search on such search engines is significant for driving online traffic to our website.

We currently have an arrangement with certain internet search engines to be featured for a certain amount per click. The pricing and operating dynamics of these campaigns can change rapidly, and we cannot assure that our arrangements with such internet search engines will not change adversely, or in the event that such changes occur, it will be on commercially acceptable terms. Internet search engines that we utilize may change the logic used on their websites that determines the placement and display or results of a users' search, change our priority position or change the pricing of their advertising campaigns, in a manner that negatively affects the search engine ranking, of our website or the placement of links to our website. As a result, our access to existing and potential users may become limited as these users may be directed to our competitors or other alternatives. If we are unable to reduce our dependency on search engines, we remain subject to the change in "logic" and pricing and operating dynamics of these search engines, which may lead to a decline in our user traffic and adversely affect our business, financial conditions and results of operations.

**25.** ***We may become a target for public scrutiny, including complaints to regulatory agencies, negative media coverage, including social media and malicious reports, all of which could severely damage our reputation and materially and adversely affect our business and prospects.***

We build customised software as per clients' requirements. Disputes with our client could result in objections by clients in public including social media and other online eco systems. From time to time, these objections or allegations, regardless of their veracity, may result in negative publicity, which could result in government inquiry or harm our reputation. Corporate transactions which we or related parties undertake may also subject us to increased media exposure and public scrutiny. There is no assurance that we would not become a target for public scrutiny in the future or such scrutiny and public exposure would not severely damage our reputation as well as our business and prospects.

**26.** ***Our Company is subject to various Indian taxes and any adverse development in the taxation regime may have a material adverse effect on our results of operations.***

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

**27.** ***Any disruption in the supply of power, IT infrastructure and telecommunications lines to our facilities could disrupt our software services and subject us to additional costs.***

Any disruption in basic infrastructure, including the supply of power, could negatively impact our ability to provide timely or adequate services to our clients. We rely on telecom connectivity and other infrastructure providers to maintain communications between our various facilities. Telecom networks are subject to failures and periods of service disruption which can adversely affect our ability to maintain active communications among our facilities and with our clients. Such disruptions may cause harm to our clients businesses as well. We may not be covered for any claims or damages if the supply of power, IT infrastructure or telecom connectivity is disrupted. This could disrupt our software services and subject us to additional costs and have an adverse effect on our financial condition and results of operations.

**28.** ***Any inefficiencies in or failure of our billing and management information systems may adversely affect our business, financial condition and results of operations***

Maintaining billing and client management information systems are critical to protect our ability to increase revenue streams, avoid revenue loss and bill our client accurately and in a timely manner. We expect new technologies and applications to create increasing demands on our billing and client management systems. Problems such as reconciliation of payments, revenue recognition and delayed payments will occur in the complexities involved in the process of billing and tracking payments by our clients. We are therefore required to expand and adapt our billing and credit control systems as we introduce new services and as our business expands. While we have not faced any material issues in the past, however, if adequate billing, credit control and client relation systems are unavailable or if upgrades or new systems are delayed or not introduced or integrated in a timely manner or at all, it could adversely affect our reputation, business, financial condition and results of operations.

**29.** ***Our sales cycle may become lengthier and more expensive and may be subject to implementation, customization and timing challenges and inability to respond to such challenges in an effective manner may adversely affect our business, financial condition and results of operations.***

As our business is currently targeted primarily with domestic and international clients, we may face greater costs, longer sales cycles and less predictability in completing some of our sales. Generally, client's decision to use our services is an enterprise-wide decision that requires a significant amount of our time and resources. For example, in certain cases, we may be required to provide prospective clients with greater levels of education regarding the use and benefits of our services, privacy and data protection laws and other regulations. In addition, larger clients may demand more customization, integration services and features, or may have existing systems in place that require more specialized software and APIs to access our services and solutions. As a result of these factors, sales opportunities may require us to devote greater sales support and professional services resources to individual clients, which can increase the costs and time required to complete these and other sales and may divert sales and professional services resources to a smaller number of larger transactions. In addition, to the extent that clients demand more customization, integration services and features, or require more specialized software and APIs, we may experience delays in revenue recognition from these transactions, pending resolution of the respective technical and implementation requirements. To the extent that the sales cycles for our enterprise clients become longer and more expensive, or require more customization, integration services and features, or specialized software and APIs, there could be an adverse effect on our business, financial condition and results of operations.

**30.** ***If we do not develop enhancements to our services and introduce new services that achieve market acceptance, our business, results of operations and financial condition could be adversely affected.***

Our ability to attract new clients and increase revenue from existing clients depends in part on our ability to enhance and improve our existing services, increase adoption and usage of our services and introduce new services. The success of any enhancements or new services depends on several factors, including timely completion, adequate quality testing, actual performance quality, market-accepted pricing levels and overall market acceptance. Enhancements and new services that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, may have inter-operability difficulties with our platform or other products or may not achieve the broad market acceptance necessary to generate significant revenue. We also have invested, and may continue to invest, in the acquisition of complementary businesses, technologies, services, products and other assets that expand the services that we can offer our clients. We may make these investments without being certain that they will result in services and products or enhancements that will be accepted by existing or prospective clients. If we are unable to successfully enhance our existing services to meet evolving requirements of clients, increase adoption and usage of our services products, develop new services and products, or if our efforts to increase the usage of our services are more expensive than we expect, then our business, results of operations and financial condition could be adversely affected.

**31.** ***Our customers may develop in-house solutions and migrate part or all of the services that we provide them to these in-house solutions.***

Certain of our customers may choose to internally deploy certain functionality currently provided by our services which may lead to a loss of revenue streams from certain of our services as they will be able to meet their needs for these services in-house. If such customers develop in-house solutions or migrate the services that we provide to them, our business, results of operation and financial condition may be adversely affected.

**32.** ***Indemnity provisions in our various business agreements potentially expose us to substantial liability for intellectual property infringement and other losses.***

Our agreements with our clients and other third-parties typically include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us, fraud or misconduct by our employees or other liabilities relating to or arising from the use of our services or platform or content or other services provided by us or other acts or omissions. Further, in some of the agreement, the term of these contractual provisions often survives termination or expiration of the applicable agreement. Further, certain of our agreements provide for a limit to the extent of their liability in case of any loss or damage in relation to the agreement, potentially further increasing our liability to third parties. Large indemnity payments or damage claims from contractual breach could harm our business, results of operations and financial condition. We may still incur substantial liability related to them. Any dispute with a client with respect to such obligations could have adverse effects on our relationship with that client and other current and prospective clients, reduce demand for our services and adversely affect our business, results of operations and financial condition.

**33.** ***The confidential information or data of clients may be misappropriated by our employees and as a result, cause us to breach our contractual obligations in relation to such confidential information.***

We enter into confidentiality and non-disclosure agreements with our employees to limit access to and distribution of the confidential information made available to them during the course of employment. We cannot assure you that the steps taken by us will adequately prevent the disclosure of confidential information by an employee and we may not have internal controls and processes to ensure that our employees comply with their obligations under such confidentiality and non-disclosure agreements. If the confidential information is disclosed by us or is misappropriated by our employees, our clients may raise claims against us for breach of our contractual obligations. The successful assertion of any claim may have an adverse effect on our business, financial condition and results of operations.

**34.** ***Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

Any dividends to be declared and paid in the future are required to be recommended by our Board and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses.

## EXTERNAL RISK FACTORS

**1. Regulators, Economic, Social and Political Uncertainties:**

DRC is incorporated in India. It's Equity shares are to be listed on the BSE and NSE subject to the receipt of the final listing and trading approvals from the respective stock exchanges. Consequently, our business, operations, financial performance and the market price of company's equity shares will be affected by the interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Important factors that could cause actual results to differ materially from our company's expectations include, but are not limited to the following:

i. Adverse economic conditions or reduced information technology spending;
ii. The macroeconomic climate, including any increase in Indian interest rates or inflation;
iii. Prevailing income conditions among Indian consumers and Indian corporations;
iv. Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
v. Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;

**2. Any Adverse revision to India's debt rating by a domestic or international rating agency could adversely affect company's business:**

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

**3. The occurrences of natural or man-made disasters could adversely affect company's results of operations, cash flows and financial conditions, Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and company's business:**

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, tsunamis and cyclones and other events such as protests, riots, wars and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our business. Damage or destruction that interrupts our operations could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. While our insurance policies for assets cover such natural disasters, such policies may not be adequate to cover the loss arising from these events, which could adversely affect our results of operations and financial condition and the price of our Equity Shares.

Additionally, India has from time to time experienced instances of civil unrest and terrorist attacks, regional or international hostilities or other acts of violence of war as well as other adverse social, economic and political events. These events could lead to political or economic instability in India and may adversely affect the Indian economy, as well as our Company. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

**4. Impact of Global Pandemic COVID-19:**

The Corona Virus Diseases (COVID -19) which had been initially recognized in Wuhan of China and affected adversely to the economic situation of China due to lockdown in concerned locations. Slowly the virus spread globally and on March 11, 2020 World Health Organisation ("WHO") had declared it as Global Pandemic Situation.

The Indian Government has taken pro-initiative and imposed complete Nation Lockdown on March 24, 2020 to control the spread of virus and after that series of lockdown has been imposed. During this lockdown all kind of transport, offices has been closed off and the companies were unable to operate their business in normal course of operations as the employees were not able to reach offices/business locations.

Developing countries like India had faced a draconian slowdown in Economy, Securities markets were at their lowest and Indian stock exchanges (BSE/NSE) were decreased by 30%-35% during lockdown phase and Equity price of many companies has been decreased by 50%-60%. So, this kind of situation can adversely impact the price of DRC's equity shares too in future.

Whole world has started process for creation of Vaccine on high priority to control the spread of COVID -19 but yet no country has succeeded for same till the time a proper vaccine or medicine is invented the economic growth of any country/company will be dilemma due this pandemic situation.

**5. The Equity Shares have never been publicly traded and may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares.**

Prior to the demerger, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

## SECTION IV– INTRODUCTION

### *SUMMARY OF FINANCIAL INFORMATION*

The following tables set forth the summary of financial information derived from our Audited Financial Statements. Our summary financial information presented below, is presented in INR Millions and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in "*Financial Statements*" beginning on page 83 of this Information Memorandum.

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**Financial Summary begins on next page**

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

## Summary of standalone statement of assets and liabilities, as restated

*(Amounts in Rs million )*

| Particulars | Notes | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **I. Non-current assets** | | | | | |
| Property, plant and equipment | 3 | 1.61 | 1.78 | 3.31 | 6.51 |
| Other intangible assets | 4 | 38.97 | 1.29 | 2.27 | 3.34 |
| Financial assets | | | | | |
| (i) Investments | 5 | 0.00 | 0.00 | 0.00 | 0.00 |
| Deferred tax assets (net) | | 3.57 | 2.04 | 2.07 | 1.76 |
| Income tax assets (net) | 7 | 0.65 | 0.27 | 1.19 | 4.04 |
| **Total non-current assets** | | **44.80** | **5.38** | **8.84** | **15.66** |
| **II.Current assets** | | | | | |
| Financial assets | | | | | |
| (i) Trade receivables | 5 | 37.80 | 36.55 | 94.85 | 69.43 |
| (ii) Cash and cash equivalents | 5 | 4.18 | 5.26 | 7.82 | 26.68 |
| (iii) Others financial assets | 5 | 1.87 | 1.77 | 6.05 | 2.53 |
| Other current assets | 6 | 10.56 | 2.82 | 6.05 | 8.70 |
| **Total current assets** | | **54.41** | **46.39** | **114.77** | **107.34** |
| **Total Assets** | | **99.21** | **51.77** | **123.61** | **123.00** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity share capital | 8 | 22.50 | 22.50 | 13.50 | 13.50 |
| Other equity | 9 | 31.72 | 1.47 | 9.84 | 8.92 |
| **Total equity** | | **54.22** | **23.97** | **23.34** | **22.42** |
| **LIABILITIES** | | | | | |
| **I. Non-current liabilities** | | | | | |
| Provisions | 11 | 4.07 | 3.74 | 3.49 | 3.04 |
| (c) Deferred tax liabilities (net) | | - | - | - | - |
| Other non-current liabilities | | - | - | - | 38.10 |
| (e) Other non-current liabilities | | | | | |
| **Total non-current liabilities** | | **4.07** | **3.74** | **3.49** | **41.14** |
| **II.Current liabilities** | | | | | |
| Financial liabilities | | | | | |
| (i) Trade payables | 10 | | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 10 | - | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 10 | 14.03 | 13.62 | 10.29 | 5.90 |
| (ii) Other financial liabilities | 10 | 8.01 | 5.59 | 43.26 | 27.32 |
| Other current liabilities | 12 | 17.93 | 3.90 | 42.69 | 25.57 |
| Provisions | 11 | 0.94 | 0.94 | 0.55 | 0.65 |
| Current tax liabilities (net) | | - | - | | |
| **Total current liabilities** | | **40.92** | **24.05** | **96.78** | **59.44** |
| **Total equity and liabilities** | | **99.21** | **51.77** | **123.61** | **123.00** |
| Summary of significant accounting policies | 1-2 | | | | |

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

**As per our report of even date**
**For, Rajpara Associates**
**Chartered Accountants**

**ICAI Firm's Registration No. 113428W**

**For and on behalf of the board of directors of**
**DRC Systems India Limited**
*(Formerly known as DRC Systems India Private Limited)*
CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**
**Partner**
Membership No.046922
Place : Ahmedabad
Date : January 06,2021

**Hiten Barccha**
Managing Director
DIN: 05251837
Place : Gandhinagar
Date : January 06, 2021

**Janmaya P Pandya**
Executive Director & C.F.O.
DIN: 09019756
Place : Gandhinagar
Date : January 06, 2021

**Jainam A Shah**
Company Secretary

Place : Gandhinagar
Date : January 06, 2021

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

## Summary of standalone statement of profit and loss, as restated

*(Amounts in Rs million )*

| Particulars | Notes | Period ended September 30, 2020 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Revenue from operations | 13 | 94.19 | 108.67 | 129.84 | 96.13 |
| Other income | 14 | 1.06 | 7.59 | 2.85 | 26.43 |
| **Total income (I)** | | **95.25** | **116.26** | **132.69** | **122.57** |
| **Expenses** | | | | | |
| Cost of services | | 46.61 | - | - | - |
| Employee benefits expense | 15 | 38.07 | 77.13 | 114.10 | 101.80 |
| Finance costs | 16 | 0.22 | 1.06 | 2.31 | 0.92 |
| Depreciation and amortisation expense | 17 | 13.53 | 2.58 | 4.46 | 5.16 |
| Other expenses | 18 | 5.20 | 34.85 | 11.16 | 11.15 |
| **Total expenses (II)** | | **103.64** | **115.62** | **132.02** | **119.03** |
| **Profit before tax (III) = (I-II)** | | **(8.39)** | **0.64** | **0.66** | **3.53** |
| **Tax expense** | | | | | |
| Current tax | | - | 0.49 | 0.97 | 1.69 |
| Deferred tax | | (1.53) | 0.03 | (0.30) | (1.31) |
| **Total tax expense (IV)** | | **(1.53)** | **0.52** | **0.66** | **0.38** |
| **Profit for the year (V) = (III-IV)** | | **(6.86)** | **0.11** | **(0.00)** | **3.15** |
| **Other comprehensive income** | | | | | |
| **A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:** | | | | | |
| Re-measurement gains / (losses) | | - | 0.52 | 0.92 | -0.79 |
| Income tax effect | | - | - | - | |
| **Total other comprehensive income for the year, net of tax (VI)** | | - | 0.52 | 0.92 | -0.79 |
| **Total comprehensive income for the year, net of tax (V+VI)** | | **(6.86)** | **0.63** | **0.92** | **2.36** |
| Earning per equity share [nominal value per share Rs.10/- (March 31, 2019: Rs.10/- )] | | | | | |
| Basic | | (1.78) | 0.34 | (0.0002) | 2.33 |
| Diluted | | (1.78) | 0.34 | (0.0002) | 2.33 |
| Summary of significant accounting policies | 1-2 | | | | |

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

**As per our report of even date**
**For, Rajpara Associates**
**Chartered Accountants**

**ICAI Firm's Registration No. 113428W**

**For and on behalf of the board of directors of**
**DRC Systems India Limited**
*(Formerly known as DRC Systems India Private Limited)*

CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**
**Partner**
Membership No.046922
Place : Ahmedabad
Date : January 06, 2021

**Hiten Barccha**
Managing Director
DIN: 05251837
Place : Gandhinagar
Date : January 06, 2021

**Janmaya P Pandya**
Executive Director & C.F.O.
DIN: 09019756
Place : Gandhinagar
Date : January 06, 2021

**Jainam A Shah**
Company Secretary

Place : Gandhinagar
Date : January 06, 2021

DRC SYSTEMS INDIA LIMITED

## DRC SYSTEMS INDIA LIMITED

*(Formerly known as DRC Systems India Private Limited)*

### Statement of standalone cash flows, as restated for the year/period ended

*(Amounts in Rs million )*

| Particulars | September 30, 2020 | | March 31, 2020 | | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|---|---|---|---|
| **A Operating activities** | | | | | | | | |
| Profit before tax | | **(8.39)** | | **0.64** | | **0.66** | | **3.53** |
| *Adjustments to reconcile profit before tax to net cash flows:* | | | | | | | | |
| Depreciation /Amortization | 13.53 | | 2.58 | | 4.46 | | 5.16 | |
| ESOP Expense | 3.61 | | 8.79 | | 29.61 | | 18.74 | |
| Bad Debts | - | | 0.10 | | - | | | |
| Balances Written off | - | | 4.16 | | - | | | |
| No Longer Payable | - | | - | | - | | | |
| Interest Income | (0.08) | | (0.22) | | (0.20) | | (26.19) | |
| | | **17.05** | | **15.42** | | **33.86** | | **-2.29** |
| | | **8.66** | | **16.05** | | **34.52** | | **1.24** |
| **Operating Profit before Working Capital Changes** | | | | | | | | |
| Working Capital Changes: | | | | | | | | |
| Changes in Trade Payable | 0.41 | | 3.33 | | 4.39 | | 2.96 | |
| Changes in trade receivables | (0.19) | | 58.20 | | (25.42) | | (51.85) | |
| Changes in other current & non current assets | (7.85) | | 3.36 | | (1.19) | | 291.43 | |
| Decrease in other current and non current liabilities and provisions | (5.76) | | (84.08) | | (33.39) | | (235.76) | |
| **Net Changes in Working Capital** | | (13.38) | | (19.18) | | (55.61) | | 6.79 |
| **Cash Generated from Operations** | | **(4.72)** | | **(3.13)** | | **(21.09)** | | **8.03** |
| Direct Taxes paid | | (0.39) | | 0.43 | | 2.19 | | (1.85) |
| **Net Cash from Operating Activities (A)** | | **(5.11)** | | **(2.70)** | | **(18.89)** | | **6.18** |
| **B Cash Flow from Investing Activities** | | | | | | | | |
| Purchase and construction of fixed assets(tangible and intangible fixed assets and intangible assets under development) | (0.05) | | (0.08) | | (0.41) | | (6.79) | |
| Proceeds from Fixed Assets | - | | - | | 0.23 | | 0.06 | |
| Interest received | 0.08 | | 0.22 | | 0.21 | | 26.20 | |
| **Net cash flow from Investing Activities (B)** | | **0.03** | | **0.14** | | **0.03** | | **19.48** |
| **C Cash Flow from Financing Activities** | | | | | | | | |
| | - | | - | | - | | - | |
| **Net Cash flow from Financing Activities ©** | | - | | - | | - | | - |
| **Net Increase/(Decrease) in cash & cash equivalents** | | **(5.07)** | | **(2.56)** | | **(18.86)** | | **25.65** |
| Cash & Cash equivalent at the beginning of the year | | 5.26 | | 7.82 | | 26.68 | | 1.03 |
| Cash & Cash equivalent pursuant to Scheme of Arrangement | | 3.99 | | | | | | |
| **Cash & Cash equivalent at the end of the year** | | **4.18** | | **5.26** | | **7.82** | | **26.68** |

*(Amounts in Rs million )*

| Particulars | Year ended September 30, 2020 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| **Cash and cash equivalents comprise of: (Note 5)** | | | | |
| Balances with Banks | | | | |
| Current accounts | 4.07 | 5.15 | 7.72 | 26.65 |
| Bank deposits maturing within 3 months from reporting date | - | - | - | |
| Cash on Hand | 0.11 | 0.11 | 0.09 | 0.03 |
| **Cash and cash equivalents** | **4.18** | **5.26** | **7.82** | **26.68** |

**As per our report of even date**
**For, Rajpara Associates**
**Chartered Accountants**

**ICAI Firm's Registration No. 113428W**

**For and on behalf of the board of directors of**
**DRC Systems India Limited**
*(Formerly known as DRC Systems India Private Limited)*
CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**
**Partner**
Membership No.046922
Place : Ahmedabad
Borrowings

**Hiten Barccha**
Managing Director
DIN: 05251837
Place : Gandhinagar
Date : January 06, 2021

**Janmaya P Pandya**
Executive Director & C.F.O.
DIN: 09019756
Place : Gandhinagar
Date : January 06, 2021

**Jainam A Shah**
Company Secretary

Place : Gandhinagar
Date : January 06, 2021

DRC SYSTEMS INDIA LIMITED

## *GENERAL INFORMATION*

Our Company was originally incorporated as 'DRC Systems India Private Limited', a Private Limited company under the Companies Act, 1956 and was granted the certificate of incorporation on April 27, 2012. Subsequently, it was converted into Public Limited Company and fresh Certificate of Incorporation was issued by the Registrar of Companies, Ahmedabad dated December 23, 2019. Upon Conversion, the Name of our Company was changed to DRC Systems India Limited. Our Company commenced its business with software business, services across e-commerce, content management system, entertainment events management system, payment, processing system, mobile application, learning management system as well as ERP for both front-end user interface as well as back-end.

**Registered Office of our Company**

**DRC Systems India Limited**
24$^{th}$ floor GIFT Two Building
Block No. 56, Road 5C, Zone 5
GIFT City, Gandhinagar Gujarat- 382355
**Telephone:** 079 - 6777 2222
**E-mail:** ir@drcsystems.com
**Website:** www.drcsystems.com
**CIN:** U72900GJ2012PLC070106

For more information on the changes in the name and Registered Office of our Company, please refer to the chapter titled "*History and Certain Corporate Matters"* beginning on page 66 of this Information Memorandum.

**Address of the ROC**

**Our Company is registered with the ROC, which is situated at the following address:**

**Registrar of Companies**
ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad Gujarat, India – 380013

**Board of Directors:**

| Sr. No. | Name | Address and DIN | Designation (Independent / Whole Time / Executive / Nominee) |
|---|---|---|---|
| 1. | Mr. Keyur Jagdishchandra Shah | 204, Shakuntal Apartment, Opp.C. N. Vidhyalaya, Ahmedabad, Gujarat - 380006, India, DIN: 03111182 | Non-Executive Chairman - Independent director |
| 2. | Mr. Hiten Ashwin Barchha | P-44, Asmaakam Phase-02, Nr. Samang Row House, Vejalpur, Ahmedabad – 380051, Gujarat, India, DIN: 05251837 | Managing Director |
| 3. | Mr. Janmaya Pandya | C-17, Ved Appts., Near Akar Soc., Behind Star Bazzar, Satellite, Ahmedabad – 380015, DIN: 09019756 | Executive Director |
| 4. | Mr. Sanket Khemuka | 301, C Wing, Karam Sankalp, Near Rajawadi Gardens, Opposite Somaiya College, Ghatkopar East, Mumbai – 400077, DIN: 06910440 | Non- Executive Director |

| Sr. No. | Name | Address and DIN | Designation (Independent / Whole Time / Executive / Nominee) |
|---|---|---|---|
| 5. | Roopkishan Sohanlal Dave | 296-2, Sector-7/A, Gandhinagar, Sector, Gandhinagar – 382007, DIN: 02800417 | Non-Executive Independent Director |
| 6. | Mr. Jigar Pradipchandra Shah | 6, Sargan Flat,<br>B/h New Vikas Gruh,<br>Paldi, Ahmedabad – 380007<br>DIN: 08174430 | Non-Executive Independent Director |
| 7. | Ms. Dipti Abhijeet Chitale | E-1002, Orchid Elegance, South Bopal, Ahmedabad-380058 –<br>DIN: 08991506 | Non-Executive Independent Director |

**Company Secretary and Compliance Officer**

**Mr. Jainam Shah**
24$^{th}$ floor GIFT Two Building
Block No. 56, Road 5C, Zone 5
GIFT City, Gandhinagar
Gujarat- 382355
**Telephone:** +91 7967772222
**E-mail:** jainam.shah@drcsystems.com
**Website:** www.drcsystems.com

**Chief Financial Officer**

**Mr. Janmaya Pandya**
24$^{th}$ floor GIFT Two Building
Block No. 56, Road 5C, Zone 5
GIFT City, Gandhinagar
Gujarat- 382355
**Telephone:** +91 7967772222
**E-mail:** janmaya.pandya@drcsystems.com
**Website:** www.drcsystems.com

**Registrar to the Issue**

**Link Intime India Private Limited**
506-508, Amarnath Business Centre - I (ABC- l),
Beside Gala Business Centre, Near St. Xavier's College Corner, Off. C. G. Road,
Ellisbridge, Ahmedabad - 380006
**Telephone:** +91 79 2646 5179/86/87
**Facsimile:** +91 79 2646 5179
**Email:** ahmedabad@linkintime.co.in
**Website:** www.linkintime.co.in
**Investor Grievance Email:** ahmedabad@linkintime.co.in
**Contact Person:** Mr. Nilesh Dalwadi
**SEBI Registration Number:** INR000004058
**CIN:** U67190MH1999PTC118368

**Statutory Auditor of our Company**

M/s. Rajpara Associates
D-1107, The First, B/h Keshavbaug Party Plot,
Vastrapur, Ahmedabad – 380015

Phone: 079 48493366
E-mail: admin@carajpara.com

**Bankers to our Company**

HDFC Bank Ltd, Vejalpur Branch
Abhishilp Shop No.1 & 2,
Opp Vishweshwar Mahadev Temple,
Judges Bunglow Road,Vastrapur,
Ahmedabad 380015**Telephone:** 079-61606161
**Facsimile:** 7359484628
**Email:** Deepak.Paaneri@hdfcbank.com
**Website:** www.hdfcbank.com
**Contact Person: Deepak Paaneri**

**Authority of Listing**

The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated November 27, 2020 had approved the scheme of Arrangement between Infibeam Avenues Limited and Suvidhaa Infoserve Limited and DRC Systems India Limited and NSI Infinium Global Limited with their respective shareholders and creditors inter-alia involving demerger of Themepark & Event Software Undertaking (Demerged Undertaking) of Infibeam Avenues Limited ("Demerged Company") for transfer and vesting as a going concern, to DRC Systems India Limited ("Resulting Company") under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act. 2013.

For more details relating to the Scheme, please refer to section titled *"Scheme of Arrangement"* on page 69 of this Information Memorandum. The existing equity shares of our Company as well as the equity shares issued by the Company pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is subject to fulfilment by the Company of the criteria prescribed by BSE and NSE and also subject to such other terms and condition as may be prescribed by BSE and NSE at the time of application by our Company seeking listing.

**Eligibility Criteria**

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter II and III of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable; however. SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR, as amended. Our Company has submitted this Information Memorandum along with application for relaxation from the strict enforcement of Rule 19 (2) (b) of SCRR, containing information about itself, making disclosure in line with the disclosure requirement for public issues as applicable to BSE and NSE for making the said Information Memorandum available to public through websites viz. www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its website www.drcsystems.com. Our Company will publish an advertisement in the newspapers containing details as per the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

**Prohibition by SEBI**

The Company, its directors, its promoter and promoter group, other companies promoted by the promoter and companies with which the Company's directors are associated as director have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Further, none of the directors of the Company are associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the directors of the Company are associated.

**General Disclaimer from the Company**

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any or any other material issued by or at the instance of the Company. Anyone placing reliance on any other source of Information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

***CAPITAL STRUCTURE***

The share capital of our Company as on the date of this Information Memorandum is set forth below

P*re Scheme Capital Structure of our Company:*

| **Authorised Share Capital** | **Amount (In Lacs)** |
|---|---|
| 30,00,000 Equity Shares of Rs. 10/- each | 300.00 |
| **Total** | **300.00** |
| **Issued, Subscribed and Paid up Share Capital** | |
| 22,50,000 Equity shares of Rs. 10/- each | 225.00 |
| **Total** | **225.00** |

*Post Scheme Capital Structure of our Company:*

| **Authorised Share Capital** | **Amount (In Lacs)** |
|---|---|
| 60,00,000 Equity Shares of Rs. 10/- each | 600.00 |
| **Total** | **600.00** |
| **Issued, Subscribed and Paid up Share Capital** | |
| 38,65,356 Equity shares of Rs. 10/- each | 386.53 |
| **Total** | **386.53** |

**Notes**

Authorised Capital was increased from Rs. 3,00,00,000 to Rs. 6,00,00,000 vide Resolution dated November 25, 2020

Other special notes

**Notes to the Capital Structure:**

1. Our Company does not have any ongoing ESOP / ESOS Schemes.

2. Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Information Memorandum, which would entitle the holders to acquire further Equity Shares.

3. None of the Equity Shares held by our Promoter and Promoter Group are pledged with any banks or institutions, locked-in or otherwise encumbered.

4. Except pursuant to the Scheme, no Equity Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of this Information Memorandum.

**List of Shareholders of the company holding 1% or more of Paid Up Capital**

**Two Years prior to date of this Information Memorandum**

| **Sr. No.** | **Name of the Shareholder** | **No. of Equity Shares @ Face Value of Rs. 10/- each** | **% of total Equity Shares of the company** |
|---|---|---|---|
| 1 | NSI Infinium Global Limited | 6,88,500 | 51.00 |

| | | | |
|---|---|---|---|
| 2 | Shivben Popatbhai Sutariya | 2,70,000 | 20.00 |
| 3 | Yogesh Popatbhai Sutariya | 2,70,000 | 20.00 |
| 4 | Kirit Kadvabhai Gajera | 67,500 | 5.00 |
| 5 | Hiten Ashwinbhai Barchha | 54,000 | 4.00 |

**One Year prior to date of this Information Memorandum**

| Sr. No | Name of the Shareholder | No. of Equity Shares @ Face Value of Rs. 10/- each | % of total Equity Shares of the company |
|---|---|---|---|
| 1 | Infibeam Avenues Limited | 11,47,500 | 51.00 |
| 2 | Hiten Ashwinbhai Barchha | 89,833 | 3.99 |
| 3 | Kirit Kadvabhai Gajera | 1,12,500 | 5.00 |
| 4 | Shivben Popatbhai Sutariya | 4,50,000 | 20.00 |
| 5 | Yogesh Popatbhai Sutariya | 4,49,917 | 20.00 |

**10 days prior to date of this Information Memorandum**

| Sr. No | Name of the Shareholder | No. of Equity Shares @ Face Value of Rs. 10/- each | % of total Equity Shares of the company |
|---|---|---|---|
| 1 | Infibeam Avenues Limited | 11,47,500 | 29.69 |
| 2 | Shivben Popatbhai Sutariya | 4,50,000 | 11.64 |
| 3 | Yogesh Popatbhai Sutariya | 4,50,696 | 11.64 |
| 4 | Vishwas Ambalal Patel | 1,85,911 | 4.81 |
| 5 | Vishal Ajitbhai Mehta | 1,45,532 | 3.77 |
| 6 | Infinium Motors Pvt Ltd | 1,28,755 | 3.33 |
| 7 | L7 Hitech Private Limited | 1,27,120 | 3.29 |
| 8 | Kirit Kadvabhai Gajera | 1,12,558 | 2.91 |
| 9 | Hiten Ashwinbhai Barchha | 89,891 | 2.32 |
| 10 | Ajit Champaklal Mehta | 73,094 | 1.89 |
| 11 | Jayshreeben Ajitbhai Mehta | 73,094 | 1.89 |
| 12 | Variniben Vishwaskumar Patel | 70,995 | 1.84 |
| 13 | Mayur Mukundbhai Desai HUF | 46,116 | 1.19 |

Shares under Lock-in

As per ICDR, 2018, 20% Shares held by Promoters shall be under lock-in for three years from listing of the shares and shares held by persons other than Promoters shall be under lock in for one year from the date of listing.

Shareholding of Promoters under lock-in are as under:

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of Shareholders</th><th rowspan="2">Category</th><th rowspan="2">No. of Shares</th><th colspan="2">Distinctive Nos. (From – To)</th><th rowspan="2">Physical/ Demat</th></tr>
<tr><th>From</th><th>To</th></tr>
<tr><td rowspan="3">1</td><td rowspan="3">Hiten Barchha</td><td rowspan="3">Promoter</td><td>26,833</td><td>12,60,001</td><td>12,86,833</td><td rowspan="3">Demat</td></tr>
<tr><td>27,067</td><td>12,86,834</td><td>13,13,900</td></tr>
<tr><td></td><td>18,09,001</td><td>18,44,933</td></tr>
</table>

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | 35,933 | | | |
| 2 | Kirit Gajera | Promoter | 33,500 | 11,47,501 | 11,81,000 | Demat |
| | | | 34,000 | 11,81,001 | 12,15,000 | |
| | | | 45,000 | 18,44,934 | 18,89,933 | |
| 3 | Shivben Sutariya | Promoter | 1,34,464 | 6,07,501 | 7,41,964 | Demat |
| | | | 1,35,536 | 7,41,965 | 8,77,500 | |
| | | | 1,80,000 | 18,89,934 | 20,69,933 | |
| 4 | Yogesh Sutariya | Promoter | 1,34,381 | 8,77,501 | 10,11,881 | Demat |
| | | | 1,35,569 | 10,11,882 | 11,47,450 | |
| | | | 1,79,967 | 20,69,934 | 22,49,900 | |
| 5 | Avni Hiten Barchha | Promoter | 100 | 13,13,901 | 13,14,000 | Demat |
| | | | 67 | 22,49,901 | 22,49,967 | |
| 6 | Ajay Manjibhai Patel | Promoter | 50 | 11,47,451 | 11,47,500 | Demat |
| | | | 33 | 22,49,968 | 22,50,000 | |
| 7 | Infibeam Avenues Limited | Public | 6,07,500 | 1 | 6,07,500 | Demat |
| | | | 45,000 | 12,15,001 | 12,60,000 | |
| | | | 36,000 | 13,14,001 | 13,50,000 | |
| | | | 4,59,000 | 13,50,001 | 18,09,000 | |
| | | **Total** | **22,50,000** | | | |

## DRC Systems India Limited

### Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities: No of Voting Rights – Class eg: X | Class eg: y | Total | Total as a % of (A+B+C) | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) | Number of Locked in shares: No. (a) | As a % of total Shares held(b) | Number of Shares pledged or otherwise encumbered: No. (a) | As a % of total Shares held(b) | Number of equity shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = | (VIII) As a | (IX) | | | | (X) | (XI)= | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group | 6 | 1103395 | 0 | 0 | 1103395 | 28.5458 | 1103395 | 0 | 1103395 | 28.5458 | 0 | 28.5458 | 1102500 | 99.9189 | 0 | 0.0000 | 1103395 |
| (B) | Public | 8311 | 2761961 | 0 | 0 | 2761961 | 71.4542 | 2761961 | 0 | 2761961 | 71.4542 | 0 | 71.4542 | 1147500 | 41.54657 | NA | NA | 2761961 |
| (C) | Non Promoter - Non Public | | | | 0 | | | | 0 | | | 0 | | 0 | 0.0000 | NA | NA | |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (C2) | Shares Held By Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Total | 8317 | 3865356 | 0 | 0 | 3865356 | 100.0000 | 3865356 | 0 | 3865356 | 100.0000 | 0 | 100.0000 | 2250000 | 58.2094 | 0 | 0.0000 | 3865356 |

## DRC Systems India Limited

### Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | | |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = | (VIII) As a | (IX) | | | | (X) | (XI)= | (XII) | | (XIII) | | (XIV) |
| 1 | Indian | | | | | | | | | | | | | | | | | | |
| (a) | **Individuals / Hindu Undivided Family** | | 6 | 1103395 | 0 | 0 | 1103395 | 28.5458 | 1103395 | 0 | 1103395 | 28.5458 | 0 | 28.5458 | 1102500 | 99.9189 | 0 | 0.0000 | 1103395 |
| | Yogeshkumar Popatbhai Sutariya | ACVPS5526N | 1 | 450696 | 0 | 0 | 450696 | 11.6599 | 450696 | 0 | 450696 | 11.6599 | 0 | 11.6599 | 449917 | 99.8272 | 0 | 0.0000 | 450696 |
| | Shivben Popatlal Sutariya | DKPPS1429K | 1 | 450000 | 0 | 0 | 450000 | 11.6419 | 450000 | 0 | 450000 | 11.6419 | 0 | 11.6419 | 450000 | 100.0000 | 0 | 0.0000 | 450000 |
| | Gajera Kirit K | ALAPG6970G | 1 | 112558 | 0 | 0 | 112558 | 2.9120 | 112558 | 0 | 112558 | 2.9120 | 0 | 2.9120 | 112500 | 99.9485 | 0 | 0.0000 | 112558 |
| | Hiten Ashwin Barchha | AMTPB7533Q | 1 | 89891 | 0 | 0 | 89891 | 2.3256 | 89891 | 0 | 89891 | 2.3256 | 0 | 2.3256 | 89833 | 99.9355 | 0 | 0.0000 | 89891 |
| | Avni Hiten Barchha | BQJPB9676D | 1 | 167 | 0 | 0 | 167 | 0.0043 | 167 | 0 | 167 | 0.0043 | 0 | 0.0043 | 167 | 100.0000 | 0 | 0.0000 | 167 |
| | Ajay Manjibhai Patel | AILPP8947L | 1 | 83 | 0 | 0 | 83 | 0.0021 | 83 | 0 | 83 | 0.0021 | 0 | 0.0021 | 83 | 100.0000 | 0 | 0.0000 | 83 |
| (b) | **Central Government / State Government(s)** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (c) | **Financial Institutions / Banks** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (d) | **Any Other (Specify)** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | **Sub Total (A)(1)** | | 6 | 1103395 | 0 | 0 | 1103395 | 28.5458 | 1103395 | 0 | 1103395 | 28.5458 | 0 | 28.5458 | 1102500 | 99.9189 | 0 | 0.0000 | 1103395 |
| 2 | Foreign | | | | | | | | | | | | | | | | | | |
| (a) | **Individuals (Non-Resident Individuals / Foreign Individuals)** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (b) | **Government** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (c) | **Institutions** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (d) | **Foreign Portfolio Investor** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (e) | **Any Other (Specify)** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | **Sub Total (A)(2)** | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | **Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)** | | 6 | 1103395 | 0 | 0 | 1103395 | 28.5458 | 1103395 | 0 | 1103395 | 28.5458 | 0 | 28.5458 | 1102500 | 99.9189 | 0 | 0 | 1103395 |

## DRC Systems India Limited

### Table III - Statement showing shareholding pattern of the Public shareholder

| | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X | Class eg: y | Total | Total as a % of (A+B+C) | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) | Number of Locked in shares: No. (a) | As a % of total Shares held(b) | Number of Shares pledged or otherwise encumbered: No. (a) | As a % of total Shares held(b) | Number of equity shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = | (VIII) As a | (IX) | | | | (X) | (XI)= | (XII) | | (XIII) | | (XIV) |
| 1 | Institutions | | | | | | | | | | | | | | | | | | |
| (a) | Mutual Fund | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (b) | Venture Capital Funds | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (c) | Alternate Investment Funds | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (d) | Foreign Venture Capital Investors | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (e) | Foreign Portfolio Investor | | 66 | 136758 | 0 | 0 | 136758 | 3.5380 | 136758 | 0 | 136758 | 3.5380 | 0 | 3.5380 | 0 | 0.0000 | NA | NA | 136758 |
| (f) | Financial Institutions / Banks | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (g) | Insurance Companies | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (h) | Provident Funds/ Pension Funds | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (i) | Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Sub Total (B)(1) | | 66 | 136758 | 0 | 0 | 136758 | 3.5380 | 136758 | 0 | 136758 | 3.5380 | 0 | 3.5380 | 0 | 0.0000 | NA | NA | 136758 |
| 2 | Central Government/ State Government(s)/ President of India | | | | | | | | | | | | | | | | | | |
| | Sub Total (B)(2) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| 3 | Non-Institutions | | | | | | | | | | | | | | | | | | |
| (a) | Individuals | | | 0 | 0 | | | | | | | | | | 0 | | NA | NA | |
| | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | | 7358 | 236888 | 0 | 0 | 236888 | 6.1285 | 236888 | 0 | 236888 | 6.1285 | 0 | 6.1285 | 0 | 0.0000 | NA | NA | 236888 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | | 13 | 781115 | 0 | 0 | 781115 | 20.2081 | 781115 | 0 | 781115 | 20.2081 | 0 | 20.2081 | 0 | 0.0000 | NA | NA | 781115 |
| | Ajit Champaklal Mehta | ACAPM5876A | | 73094 | 0 | 0 | 73094 | 1.8910 | 73094 | 0 | 73094 | 1.8910 | 0 | 1.8910 | 0 | 0.0000 | NA | NA | 73094 |
| | Jayshreeben Ajitbhai Mehta | AAYPM2755L | | 73094 | 0 | 0 | 73094 | 1.8910 | 73094 | 0 | 73094 | 1.8910 | 0 | 1.8910 | 0 | 0.0000 | NA | NA | 73094 |
| | Variniben Vishwaskumar Patel | AADPP5457B | | 70995 | 0 | 0 | 70995 | 1.8367 | 70995 | 0 | 70995 | 1.8367 | 0 | 1.8367 | 0 | 0.0000 | NA | NA | 70995 |
| | Vishal Ajitbhai Mehta | ACAPM2367C | | 145532 | 0 | 0 | 145532 | 3.7650 | 145532 | 0 | 145532 | 3.7650 | 0 | 3.7650 | 0 | 0.0000 | NA | NA | 145532 |
| | Vishwas Ambalal Patel | AAAPP3757F | | 185911 | 0 | 0 | 185911 | 4.8097 | 185911 | 0 | 185911 | 4.8097 | 0 | 4.8097 | 0 | 0.0000 | NA | NA | 185911 |
| (b) | NBFCs registered with RBI | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | Trust Employee | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| (c) | Any Other (Specify) | | 874 | 1607200 | 0 | 0 | 1607200 | 41.5796 | 1607200 | 0 | 1607200 | 41.5796 | 0 | 41.5796 | 1147500 | 71.3975 | NA | NA | 1607200 |
| | Trusts | | 1 | 14 | 0 | 0 | 14 | 0.0004 | 14 | 0 | 14 | 0.0004 | 0 | 0.0004 | 0 | 0.0000 | NA | NA | 14 |
| | Hindu Undivided Family | | 366 | 61453 | 0 | 0 | 61453 | 1.5898 | 61453 | 0 | 61453 | 1.5898 | 0 | 1.5898 | 0 | 0.0000 | NA | NA | 61453 |
| | Mayur Mukundbhai Desai Huf | AACHD3410K | 1 | 46116 | 0 | 0 | 46116 | 1.1931 | 46116 | 0 | 46116 | 1.1931 | 0 | 1.1931 | 0 | 0.0000 | NA | NA | 46116 |
| | Non Resident Indians (Non Repat) | | 78 | 21034 | 0 | 0 | 21034 | 0.5442 | 21034 | 0 | 21034 | 0.5442 | 0 | 0.5442 | 0 | 0.0000 | NA | NA | 21034 |
| | Non Resident Indians (Repat) | | 159 | 4686 | 0 | 0 | 4686 | 0.1212 | 4686 | 0 | 4686 | 0.1212 | 0 | 0.1212 | 0 | 0.0000 | NA | NA | 4686 |
| | Clearing Member | | 70 | 1331 | 0 | 0 | 1331 | 0.0344 | 1331 | 0 | 1331 | 0.0344 | 0 | 0.0344 | 0 | 0.0000 | NA | NA | 1331 |
| | Bodies Corporate | | 200 | 1518682 | 0 | 0 | 1518682 | 39.2896 | 1518682 | 0 | 1518682 | 39.2896 | 0 | 39.2896 | 1147500 | 75.5589 | NA | NA | 1518682 |
| | Infibeam Avenues Limited | AACCI3501P | 1 | 1147500 | 0 | 0 | 1147500 | 29.6868 | 1147500 | 0 | 1147500 | 29.6868 | 0 | 29.6868 | 1147500 | 100.0000 | NA | NA | 1147500 |
| | L7 Hitech Private Limited | AACCL7130P | 1 | 130760 | 0 | 0 | 130760 | 3.3829 | 130760 | 0 | 130760 | 3.3829 | 0 | 3.3829 | 0 | 0.0000 | NA | NA | 130760 |
| | Infinium Motors Private Ltimited | AAACI4684B | 1 | 128755 | 0 | 0 | 128755 | 3.3310 | 128755 | 0 | 128755 | 3.3310 | 0 | 3.3310 | 0 | 0.0000 | NA | NA | 128755 |
| | Sub Total (B)(3) | | 8245 | 2625203 | 0 | 0 | 2625203 | 67.9162 | 2625203 | 0 | 2625203 | 67.9162 | 0 | 67.9162 | 1147500 | 43.7109 | NA | NA | 2625203 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3) | | 8311 | 2761961 | 0 | 0 | 2761961 | 71.4542 | 2761961 | 0 | 2761961 | 71.4542 | 0 | 71.4542 | 1147500 | 41.5466 | NA | NA | 2761961 |

## DRC Systems India Limited

### Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) |
| | | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = | (VIII) As a | (IX) | | | | (X) | (XI)= (VII)+(X) | (XII) | | (XIII) | |
| 1 | Custodian/DR Holder | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA |
| 2 | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA |
| | Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2) | | 0 | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA |

***STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS***

AVAILABLE TO DRC SYSTEMS INDIA LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

To,
**The Board of Directors**
**DRC Systems India Limited**
24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5,
GIFT CITY,
Gandhinagar- 382355
Gujarat, India

Date: 17.12.2020

Dear Sirs,

Subject: Statement of possible special tax benefits available to DRC Systems India Limited ('the Company')

We hereby report that the enclosed Annexures prepared by the Company, states the possible special tax benefits available under direct and indirect tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2020 and the Taxation Laws (Amendment) Act, 2020 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India as on the signing date and are available to the Company and Its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexures cover the special tax benefits available to the Company and shareholders. Further, the preparation of the enclosed Annexures and their contents is the responsibility of the Management. We were informed that, this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications. The company has conducted examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

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

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

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

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of understanding of their business activities and operations.

The views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

The enclosed annexures are intended for your information and for inclusion in the Information Memorandum in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without prior written consent.

**For, Rajpara Associates**
Chartered Accountants
Firm Reg. No.: 113428W
Sd/-
CJ Rajpara
Membership No: 046922
UDIN: 20046922AAAAGM9792

## ANNEXURE 1

## STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO DRC SYSTEMS INDIA LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

**UNDER THE INCOME-TAX ACT, 1961** (hereinafter referred to as 'the Act')

**Special tax benefits available to the Company under the Act**
There are no special tax benefits available to the Company.

**Special tax benefits available to the shareholders under the Act**
There are no special tax benefits available to the shareholders of the Company.

Notes:

The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

The *above* statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

The *above* statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22.

This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## ANNEXURE 2

## STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO DRC SYSTEMS INDIA LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

The State Goods and Services Tax Act, 2017 / The Central Goods and Services Tax Act, 2017 / The Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") *(collectively referred to as "indirect tax")*

1. **Special indirect tax benefits available to the Company under the Act**
   There are no special indirect tax benefits available to the Company.

2. **Special Indirect tax benefits available to the shareholders under the Act**
   There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION V – ABOUT US

### *INDUSTRY OVERVIEW*

*The information presented in this section has been obtained from publicly available documents from various sources including officially prepared materials from the Government of India and its various ministries, industry websites, publications and company estimates. Industry website publications generally state that the information contained therein has been obtained from various sources believed to be reliable, but their accuracy, completeness, and underlying assumptions cannot be guaranteed and their reliability cannot be assured. Industry and Govt. publications are also prepared based on Information as of specific dates and may no longer be current or reflect current trends. Although we believe industry, market and Government data used in the Information Memorandum is reliable, it has not been independently verified. Similarly our internal estimates, while believed by us to be reliable, have not been verified by any independent agencies.*

### Global Outlook

The global economy is climbing out from the depths to which it had plummeted during the Great Lockdown in April. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in China has been faster than expected, the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks. The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns. and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity.

Global growth is projected at –4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent.

### Indian Industry

India's GDP (at constant 2011-12 prices) was estimated at Rs 26.9 trillion (US$ 363.49 billion) for the first quarter of FY2020-21, against Rs 35.35 trillion (US$ 477.67 billion) in the first quarter of FY2019-20, showing a contraction of 23.9%, compared to 5.2% growth in the first quarter of FY 2019-20.

The Government of India have taken significant initiatives to strengthen the economic credentials of the country and make it one of the strongest economies in the world. India is fast becoming home to start-ups focused on high growth areas such as mobility, E-commerce, and other vertical specific solutions - creating new markets and driving innovation.

Rise in domestic investments has been one of the biggest contributors to the India growth story and public and private sector have both enabled and sustained these investments.

India's attempt to implement reforms to unlock the country's investment potential is expected to improve business environment, liberal FDI policies, quick solution to corporate disputes, simplified tax structure, and a boost to public and private expenditure. To achieve the GDP of US$ 5 trillion by FY25, India needs to spend about US$ 1.4 trillion (Rs 100 trillion) over these years on infrastructure.

Apart from being a critical driver of economic growth, Foreign Direct Investment (FDI) has been a major non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges like tax exemptions, etc. For a country where foreign investment is being made, it also means achieving technical know-how and generating employment.

According to Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 469.99 billion during April 2000 and March 2020, indicating that Government's effort to improve ease of doing business and relaxing FDI norms has yield results.

FDI equity inflow in India stood at US$ 49.97 billion in 2019-20. Data for 2019-20 indicates that service sector attracted the highest FDI equity inflow of US$ 7.85 billion, followed by computer software and hardware at US$ 7.67 billion, telecommunications sector at US$ 4.44 billion, and trading at US$ 4.57 billion.

India's manufacturing purchasing managers' index stood at 56.8 in September 2020, at an eight-year high, indicating positive outlook for economic expansion in the coming months. This expansion was driven by accelerated growth in new orders and manufacturing, renewed growth in export revenues and input stocks. In September, GST collections stood at Rs. 954.8 billion (US$ 13.01 billion), moving 3.9% above the previous year's record for the first time in this fiscal year.

India's foreign exchange reserves stood at US$ 542.02 billion as of September 25, 2020, equivalent to >13 months of imports and offering a comfortable buffer to increase imports, after accelerating the pace of economic activity. For the first-time since March, exports have recovered and clocked growth in September and trade deficits have narrowed with exports recovering faster than imports.

Resumption of economic activities and move of consumers to digital payments have led to growth in retail financial transactions through the NPCI network. In September 2020, UPI payment transactions stood at Rs. 3.29 trillion (US$ 44.84 billion) in value and 180.0 crore in volume.

Industrial production showed signs of improvement with IIP growth on YoY basis, displaying a contraction in July 2020 at 10.4%, compared with 15.8% in June 2020.

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55% market share of the US$ 200–250 billion global services sourcing business in 2019–20. Indian IT & BPM companies have set up over 1,000 global delivery centres in about 80 countries across the world.

India has become the digital capabilities hub of the world with around 75% of global digital talent present in the country.

**Our Industry and its Outlook**

India is the world's largest sourcing destination with largest qualified talent pool of technical graduates in the world. The country has the low-cost advantage, being 5-6 times inexpensive than the US. India is the second-fastest digitising economy among 17 leading economies in the world.

According to Cloud Next Wave of Growth in India report, India’s cloud market is expected to grow three-fold to Rs. 49,621 crore (US$ 7.1 billion) by 2022, driven by the demand for Big Data, Data Analytics, Artificial Intelligence (AI) and Internet of Things (IoT).

India’s IT industry contributed around 7.7% to country’s GDP (Gross Domestic Product) and is expected to contribute 10% to India’s GDP by 2025. As of FY20, the IT industry employed 4.3 million people. In FY20, the sector added 205,000 jobs, up from 185,000 jobs added in FY19. Total number of employees grew to 1.02 million cumulatively for four Indian IT majors (including TCS, Infosys, Wipro, HCL Tech) as on December 31, 2019. Indian IT industry employed 205,000 new hires and had 884,000 digitally skilled talents in 2019.

IT & BPM industry revenue was estimated at around US$ 191 billion in FY20 at 7.7% growth y-o-y and is estimated that it will grow to US$ 350 billion by 2025. Moreover, revenue from the digital segment is expected to form 38% of the total industry revenue by 2025. Digital economy is estimated to reach Rs. 69,89,000 crore (US$ 1 trillion) by 2025. The domestic revenue of the IT industry was estimated at US$ 44 billion and export revenue was estimated at US$ 147 billion in FY20.

Further, Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, as per NITI Aayog. A substantial increase in AI by Indian firms can result in a 2.5% increase in India’s Gross Domestic Product (GDP) in the immediate term.

Computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflow worth US$ 44.91 billion between April 2000 and March 2020. The sector ranked second in FDI inflow as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

PE (Private Equity) investment in the sector stood at US$ 11.8 billion across 493 deals in 2019. Venture Capital (VC) investment in the IT & BPM sector stood at US$ 67.0 million during Q3FY19.

# IT & BPM

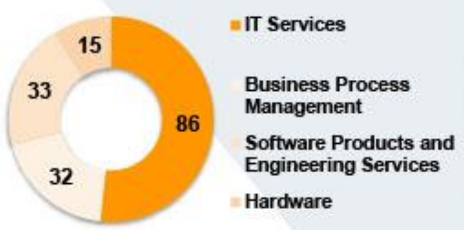
## Market Size

Indian IT Industry (US$ billion)

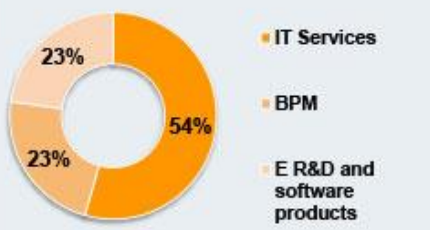

*Note: E- Estimated*

## Sector Composition

Sector-wise Break-up of Indian IT market (US$ billion) FY19

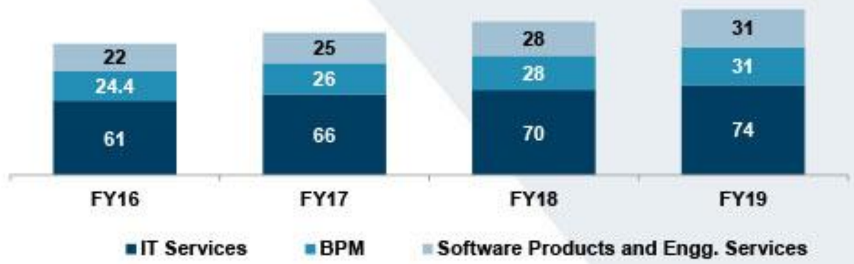



Sector-wise Break-up of Export Revenue FY19




## Key Trends

Growth in Export Revenue (US$ billion)




## Government Initiatives

Make in India

Phased Manufacturing Programme (PMP)

Software Technology Parks of India

**Market Size**

IT-BPM industry’s revenue was estimated at around US$ 191 billion in FY20, growing at 7.7% y-o-y. It is estimated to reach US$ 350 billion by 2025. Moreover, revenue from the digital segment is expected to form 38% of the total industry revenue by 2025. Digital economy is estimated to reach Rs 69,89,000 crore (US$ 1 trillion) by 2025. The domestic revenue of the IT industry was estimated at US$ 44 billion and export revenue was estimated at US$ 147 billion in FY20.

Total number of employees grew to 1.02 million cumulatively for four Indian IT majors (including TCS, Infosys, Wipro, HCL Tech) as on December 31, 2019. Indian IT industry employed 205,000 new hires and had 884,000 digitally skilled talents in 2019.

**Investments/ Developments**

Indian IT's core competencies and strengths have attracted significant investment from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflow worth US$ 44.91 billion between April 2000 and March 2020. The sector ranked second in FDI inflow as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra are diversifying their offerings and showcasing leading ideas in blockchain and artificial intelligence to clients using innovation hubs and research and development centres to create differentiated offerings.

Some of the major developments in the Indian IT and ITeS sector are as follows:

- In July 2020, Infosys won a multiyear deal worth US$ 1.5 billion from investment management company, Vanguard
- In July 2020, HCL Technologies signed a five-year deal worth US$ 600 million with telecom equipment maker Ericsson
- In May 2020, SirionLabs, a software-as-a-service (SaaS) provider, raised US$ 44 million as part of its Series C round led by Tiger Global and Avatar Growth Capital.
- PE (private equity) investment in the sector stood at US$ 11.8 billion across 493 deals in 2019.
- In January 2020, Nippon Telegraph and Telephone, a Japanese tech announced its plans to invest a significant part of its US$ 7 billion global commitments for data centres business in India over the next four years.
- As of February 2020, there were 417 approved SEZs across the country with 274 from IT & ITeS and 143 as exporting SEZs.
- In February 2020, Tata Consultancy Services bagged a contract worth Rs 10,650 crore (US$ 1.5 billion) from pharma company Walgreens Boots Alliance.
- UK-based tech consultancy firm, Contino, was acquired by Cognizant.
- In May 2019, Infosys acquired 75% stake in ABN AMRO Bank's subsidiary Stater for US$ 143.08 million
- In June 2019, Mindtree was acquired by L&T.
- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.

**Government Initiatives**

Some of the major initiatives taken by the Government to promote IT and ITeS sector in India are as follows:

- On May 2019, the Ministry of Electronics and Information Technology (MeitY) launched the MeitY Startup Hub (MSH) portal.
- In February 2019, Government released the National Policy on Software Products 2019 to develop India as a software product nation
- The Government has identified Information Technology as one of 12 champion service sectors for which an action plan is being developed. Also, the Government has set up a Rs 5,000 crore (US$ 745.82 million) fund for realising the potential of these champion service sectors.
- As part of Union Budget 2018–19, NITI Aayog was to set up a national level programme to enable efforts in AI^ and leverage AI^ technology for developing the country.
- In the Interim Budget 2019–20, the Government announced plans to launch a national programme on AI* and setting up of a National AI* portal.
- National Policy on Software Products-2019 was passed by the Union Cabinet to develop India as a software product nation.

The Government of India has extended tax holidays to the IT sector for Software Technology Parks of India (STPI) and Special Economic Zones (SEZs). As of February 2020, there were 421 approved SEZs across the country, with 276 of them from IT & BPM and 145 as exporting SEZs.

Further, the country is providing procedural ease and single window clearance for setting up facilities. On May 2019, the Ministry of Electronics and Information Technology (MeitY) launched the MeitY Startup Hub (MSH) portal.

Also, the Government has identified IT as one of the 12 champion service sectors for which an action plan is being developed. It is setting up a Rs. 5,000 crore (US$ 745.82 million) fund for realising the potential of these champion service sectors.

## ADVANTAGE INDIA

### Growing demand

- Strong growth in demand for export from new verticals.
- Rapidly growing urban infrastructure has fostered several IT centres in the country.
- Expanding economy to propel growth in local demand.
- India's IT sector market is projected to reach US$ 100 billion by 2025.
- In FY20, the sector added 205,000 jobs, up from 185,000 jobs added in FY19

### Global Footprints

- Indian IT firms have delivery centres across the world.
- IT & BPM industry is well diversified across verticals such as BFSI, telecom and retail.
- Increasing strategic alliance between domestic and international players to deliver solutions across the globe.

### Competitive advantage

- India has a low-cost advantage by being 5-6 times inexpensive than the US.
- A preferred destination for IT & BPM in the world, it continues to be a leader in the global sourcing industry with 55% market share.
- On May 2019, the Ministry of Electronics and Information Technology (MeitY) launched the MeitY Startup Hub (MSH) portal.

### Policy Support

- Tax exemption of three years in a block of seven years to start-ups under 'Startup India'.
- More liberal system for raising global capital, funding for seed capital and growth and ease of doing business, etc. have been addressed.
- The Government of India announced plans to launch a national programme on AI* and setting up of a National AI* portal.
- In February 2019, the Government India released the National Policy on Software Products 2019 to develop India as a software product nation

***Note:*** *SEZ stands for Special Economic Zone, BFSI stands for Banking, Financial Services and Insurance, E stands for Estimate, F stands for Forecast, AI* - Artificial Intelligence*

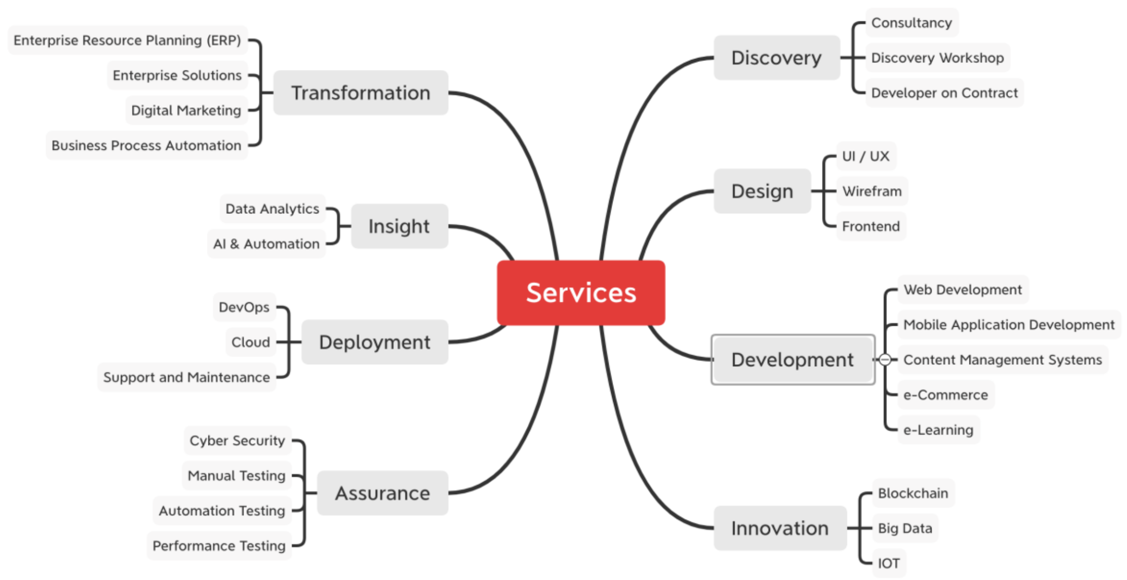
***Source :*** *Nasscom, News sources*

*OUR BUSINESS*

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

**PRODUCTS AND SERVICES**

We offer wide range of products and services based on open sources and proprietary technologies as under;




***Below are tools, technologies, frameworks and platforms used to render above services:***

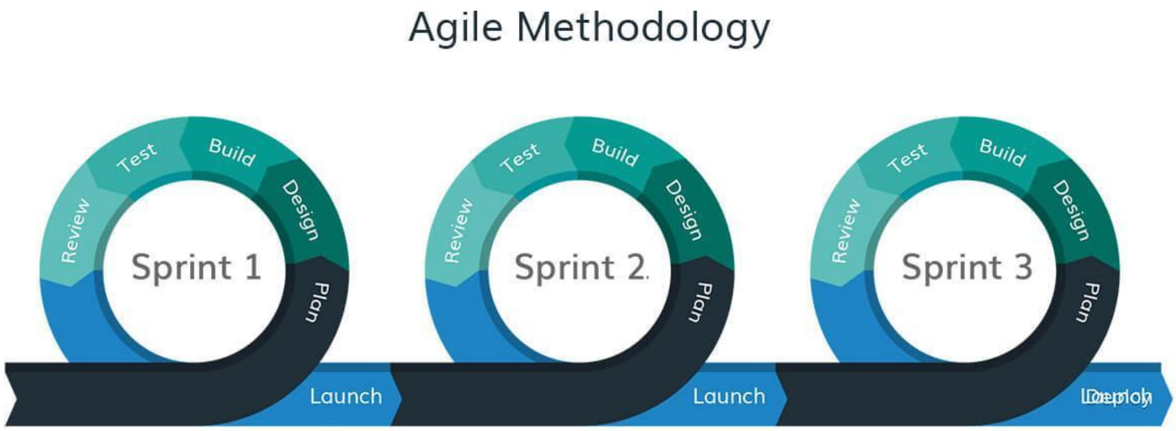
**Frontend Technologies:** Angular, React, Ember, HTML5, Bootstrap, JQuery
**Database Systems:** MySQL, PostgreSQL, MariaDB, MS SQL, MongoDB, InfluxDB, Prometheus
**Backend / Scripting:** Java, Python, .Net, PHP, Ruby, Node
**Frameworks:** Spring, Struts, Django, Flask, .Net Core, Laravel, Yii, Rails, Express, Hadoop
**Content Management Systems:** WordPress, TYPO3, Drupal, Umbraco, Contao, Silverstripe
**e-Commerce:** Magento, Shopify, nopCommerce, WooCommerce, OpenCart, Prestashop, Oxid, Shopware, Buildabazaar
**e-Learning:** Open edX, Moodle and Custom platforms
**Mobile Apps:** Android, iOS
**Cross-Platform Technologies:** Ionic, Flutter, Electron

***Process Flow:***

Information technology industry has been completely revolutionized by the use of Agile methodologies. At DRC systems we follow Agile as a project management methodology that consists of small development cycles, or “sprints”, to keep the focus on bringing continuous improvement in a product or service.

A sprint is a predetermined time frame during which the team is supposed to complete a particular task. Each sprint usually ends with a review where the team reviews their performance and discusses ways to improve the work. Agile practices focus more on bringing flexibility with constant updates throughout the process.

Through Agile iterative development, bigger projects are broken down into smaller chunks and continuous tests are done in repetitive cycles. Through this practice, Agile teams get a perspective on new features that need to be added to the final product or service and contribute towards more flexible product development.




Our Working practice for our implementation of our Project is :

- Iterative Development
- Daily Meetings with team
- Using Professional Tools like GitLab.
- Scrum Project Management (Agile Framework)

**Key strengths**

Experienced and Qualified Senior Management Team:

Our Promoters and senior management team have significant experience in the Industry in which Company operates, which enables us to identify suitable Business Growth. We have a professional and experienced management team.

- Describe Directors with Experience
- Our Documentation and Internal Procedures
- Our Potential to identify new Business Avenues
- Our Innovation solution finding approach in techsavvy World
- Understanding of the IT services sector and evolving needs of the consumers

- Excellent track record of forming beneficial relationships and long term customer relationships
- Diverse range of services
- Geographical spread, our customer base is spread across globe with major concentration in Europe, USA, Middle East and Asia
- Our entrepreneur led and professionally managed, experienced team
- Organizational Excellence

**Details of Employees**

AS on the date of this Information Memorandum, Our Company has more than 100 permanent employees.

**Our Competitors**

Monopoly has no existence in today's cut throat Competitive world. Alike other Business Segments, our Industry have many players, whom we compete.

**Insurance**

We maintain standard insurance policies for our assets and our employees. As of December 01, 2020, our material policies included: (i) employees' medical policy; (ii) burglary and theft floater policy; (iii) standard fire and special perils policy; (v) group health floater policy; and (vi) group personal accident policy. Notwithstanding our insurance coverage, disruptions to our operations could nevertheless have a material adverse effect on our business, results of operations and financial condition to the extent our insurance policies do not cover our economic loss resulting from such damage.

**Properties Owned by the Company / Assets owned**

Apart from Furnitures / fixtures and IT Systems, the Company does not own any Property in its name.

**Lease / rent**

The Registered property of the Company is on a leasehold vide agreement dated December 2, 2020

**Our Intellectual Property**

Our Company owns the trademark for our brand name and logo "DRC Systems" in various classes.

**Internal Control**

The internal control systems are commensurate with the size, scale and complexity of the operations of the Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company has continued its efforts to align all its processes and controls with best practices.

The Audit Committee of the Board of Directors, comprising of Independent Directors reviews the effectiveness of the internal control system across the Company including annual plan significant audit findings, adequacy of internal controls and compliance with accounting, policies and regulations.

**Corporate social responsibility**

We do not have any CSR Policy or Committee, as the Company does not fall within purview of Section 135 of the Act.

***REGULATIONS AND POLICIES***

*Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to our Company.*

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended b subsequent legislative, regulatory, administrative or judicial decisions.*

**Industry-specific legislations applicable to our Company**

***The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder***

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act also empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defense and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The Information Technology (Amendment) Act, 2008, which amends the IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto

In April 2011, the Department of Information Technology under the Ministry of Communications & Information Technology, Government of India, notified the Information Technology (Reasonable Security

Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 in respect of Section 43A of the IT Act **(the "Personal Data Protection Rules")** and the Information Technology (Intermediaries Guidelines) Rules, 2011 in respect of Section 79(2) of the IT Act **(the " Intermediaries Rules").**

***Personal Data Protection Rules***

The Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate **(the "Body Corporate"**). The Personal Data Protection Rules further require the Body Corporate to provide a privacy policy for handling and dealing on personal information, including sensitive personal data. Such policy is required to be published on the website of the Body Corporate. In addition, the information or data so collected is required to be kept secured and used for the purposes for which it has been collected. Further, the disclosure of such information to any third party requires the prior consent of the provider of the information, unless such disclosure has been contractually agreed upon between the Body Corporate and the provider of information or in the event disclosure is necessary for the purpose of legal compliance. Additionally, the Body Corporate is required to put in place a security programme and information security policy, so as to ensure compliance with reasonable securities practices and procedures, as prescribed under the Personal Data Protection Rules.

***Intermediaries Rules***

The Intermediaries Rules require any person receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify such information, as provided under the Intermediaries Rules. Further, an intermediary is required to preserve information and associated records for a period of 90 days, for the purposes of investigation. In discharging its duties, an intermediary is required to exercise due diligence and is required to publish the rules and regulations, privacy policy and user agreement for access and/ or usage of the intermediary's resources by any person. Additionally, the intermediary is required to publish the name of its grievance officer, his/ her contact details and the mechanism through which users or victim can notify their complaints against prohibited access or usage of computer resource of the intermediary or other matters pertaining to the computer resources made available by it. Such grievance officer is required to redress the complaints within one month from the date of receipt of the complaint.

***General Data Protection Regulation (GDPR)***

The introduction of European Union's ("EU") regulations on protection of natural persons with regard to processing of personal data and free movement of such data ("GDPR") has brought on certain significant implications on Indian entities processing personal data of EU Residents. Basically, since GDPR has extra-territorial application and applies to processing of personal data of EU residents even by entities situated outside EU, Indian entities who are acting as either a 'controller' (i.e. the person who determines the purposes and means of the processing of data) or a 'processor' (i.e. the person who processes the personal data on behalf of the controller), of personal data of persons of EU, in relation to offering of goods or services to such persons or monitoring their behaviour in so far as it takes place within EU, become subject to GDPR.

The concept of "personal data" has been defined in GDPR to refer to any information relating to an identified or identifiable natural person (i.e. "Data Subject"). An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person, and therefore all such information is considered as 'personal data' under the GDPR.

***Others***

The Department of Personnel and Training under the Ministry of Personnel, Public Grievances and Pensions, Government of India, has proposed to introduce a new legal framework that would balance national interest with concerns of privacy, data protection and security.

**Intellectual Property Laws**

***The Trade Marks Act, 1999***

The Trade Marks Act, 1999 (the "Trademarks Act") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also capable of being registered under the Trademarks Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trademarks is absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods, or which have become customary in the current language. While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off.
Our Company has registered and/ or applied for registrations for the various brands and logos used in our business which are subject to the provisions of the Trademarks Act.

***The Copyright Act, 1957***

The Copyright Act, 1957 **(the "Copyright Act")** governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organisation. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring the ownership of the copyright by the registered owner. Copy right registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations

***The Patents Act, 1970***

While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years from the beginning of the calendar year next following the year in which the author dies. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright**.**

The Patents Act, 1970 **("Patents Act")** governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee.

**General laws pertaining to compliance to be followed by our Company**

***The Companies Act 1956 and the Companies Act, 2013 ("Acts")***

The Companies Act 1956 is still applicable to the extent it is not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The Acts along with the relevant rules, clarifications and modifications made thereunder deals with the incorporation of companies, the procedure for incorporation and governance and regulation of companies post incorporation. The provisions of the Acts shall apply to all the companies incorporated either under it or under any other previous law.

**Labour law legislations**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

***Employees' Compensation Act, 1923***

The Employees Compensation Act, 1923 **("EC Act")** (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/ obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\serious bodily injury

***Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 **("the EPF Act")** is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act frames Employees Provident Scheme, 1952.

***Employees' State Insurance Act, 1948***

The Employees’ State Insurance Act, 1948 **(the “ESI Act”)** an act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

***Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

***Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

***Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013.***

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

***Shops and Establishments laws in various states***

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our Company's offices have to be registered under the Shops and Establishments laws of the state where they are located.

**Tax laws**

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

1. Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
2. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
3. The Integrated Goods and Service Tax Act, 2017;
4. Professional Tax state-wise legislations; and 5. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

**Other regulations**

In addition to the above, our Company is required to comply with the provisions of the Companies Act, FEMA, the Competition Act, 2002, various tax related legislations and other applicable statutes for its day -to-day operations.

## *HISTORY AND CERTAIN CORPORATE MATTERS*

### History and Background

Our Company was originally incorporated as 'DRC Systems India Private Limited', a Private Limited company under the Companies Act, 1956 and was granted the certificate of incorporation on April 27, 2012. Thereafter, our company was converted into Public Limited Company and fresh Certificate of Incorporation was issued by the Registrar of Companies, Ahmedabad, dated December 23, 2019. Upon Conversion the Name of our Company was changed to DRC Systems India Limited. Our Company commenced its business with software business, services across e-commerce, content management system, entertainment events management system, payment, processing system, mobile application, learning management system as well as ERP for both front-end user interface as well as back-end.

The CIN of our Company is U72900GJ2012PLC070106.

### Change in Registered Office of our Company

**The details of changes in the Registered Offices are set forth below:**

| **Date of Change** | **Details of the address of Registered Office** | **Reasons for change** |
|---|---|---|
| November 11 , 2015 | The registered office of our company was changed from 409, Mauriya Atria, Opp. Atithi Dining Hall, Bodakdev, Ahmedabad - 380054 to Office No. 501 to 505, 5th Floor, Maurya Atria, Opp. Atithi Dinning, Judges Bunglow Road, Bodakdev, Ahmedabad - 380054 | For business purpose |
| September 20, 2017 | The registered office of our company was changed from Office No. 501 to 505, 5th Floor, Maurya Atria, Opp. Atithi Dinning, Judges Bunglow Road, Bodakdev, Ahmedabad – 380054 to 24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar – 382355 | For business purpose |

### Corporate Structure of our Company

Our Company is an Associate Company of Infibeam Avenues Limited.

**Main Objects of our Company**

The main objects of our Company as contained in our Memorandum of Association are:

*To provide business process outsourcing services in area of finance and account consulting, marketing support, sales support, and back office operation support for any business vertical, to provide software consulting services which includes business requirement gathering & need analysis, feasibility study, preparing software solution specification, development, testing and support, to provide business IT services in the area of mobile application consulting, web consulting, cloud computing, IT Infrastructure management, ERP services and custom software application development, to provide knowledge processes services like investment research services, business research services, data analytics, market research services, business operations support and analytics and management, to carry out conceptualisation, design, develop, market and sale of web, mobile and embedded systems based service oriented product such as portals, Saas base service and mobile Apps, to carry on In India or elsewhere the business to manufacture, produce, assemble, repair, install maintain, convert, service, overhaul, test, buy, sell, exchange, modify, design, develop, export, import, renovate, discover, research, improve, merchandise, mould, print, insulate, hire, let on hire, broadcast relay, exhibit, inform and to act as wholesaler, retailers, agent, stockists, distributors, show, room owners, franchiser or otherwise to deal in all sorts of items, system, plants, machines, instruments, apparatus, appliances, devices, articles or things of communication of different models, capacities, characteristics, applications and uses in all its branches such as radio communication, tele communications, space communication, satellite communications, wireless communications, computer communications, telephonic and telegraphic communications, wave communications, under water communications and such other communication systems as may be discovered in future and to carry out all the foregoing activities for components, parts, fittings, fixture, accessories, tools, devices and system, connected thereto, to carry on in India or elsewhere in the World, with or without collaboration, the business as software engineers, software developers, software programmers, networking engineers, web designers, web development, application development, and integration, varied hardware and software solutions, compushop, management of bulk data in all of its aspect and to design, develop, apply, interpret, analyse, improve and buy, sell, import, export, hire, lease, license, operate, assemble, repair, recondition, alter, convert, improve, upgrade, install, modify system development and support software of all kinds for usage in all fields of applications in all fields of technology, to provide ERP video conferencing, telecommunication software, satellite communication software, radio communication software, wireless communication software, corporate communication software, parallel communication software, collection, storing, tabulations, analysis and interpretation of data of all kinds, real time applications, web applications and to provide high-tech solutions, to give consultancy in respect thereof and to develop, prepare, run, update, event, analyse, design, improve the various programmes and to provide, lease, hire, transfer, buy, sell import, export such programmes to various kind of users either on BOOM or BOLT basis, and other services connected therewith, to carry on business of online multi-brand retail trading activity through web portal, online advertising and ticketing for entertainment events, web services and data centre services including and not limited to cloud services, storage and compute, hosting, domains, storage, data analytics and other software services.*

**Changes in the Memorandum and Articles of Association of our Company**

| Nature of Amendments | Date of Shareholders' Resolution |
|---|---|
| **Change in Clause V of Memorandum of Association** | |
| Increase in Authorised Capital from Rs. 3,00,00,000 to 6,00,00,000 | 25/11/2020 |
| **Change in Clause III (B) of Memorandum of Association** | |
| Change in Object Clause of the Company | 25/11/2020 |
| **Change in Clause III (A) of Memorandum of Association** | |
| Change in Object Clause of the Company pursuant to Scheme | 02/12/2020* |
| **Change in Clause I of Memorandum of Association** | |
| Change in Name pursuant to Conversion from Private to Public Limited | 11/12/2019 |

* Shareholders of DRC Systems India Limited approved the Composite Scheme of Arrangement at NCLT convened meeting on November 02, 2020. However, change in the object clause of the Company has become effective on December 02, 2020 post Scheme becoming effective.

***SCHEME OF ARRANGEMENT***

A Scheme under Sections 230 to 232 of the Companies Act, 2013, together with Sections 13, 14, 61, 62, 66 and other applicable provisions of the Companies Act, 2013 for demerger of the SME E-Commerce Services Undertaking of Infibeam and transfer of the same to Suvidhaa which includes issuance of equity shares by Suvidhaa to the equity shareholders of Infibeam; demerger of the E-Commerce Business Undertaking of NSI and transfer of the same to Suvidhaa which includes issuance of equity shares by Suvidhaa to the equity shareholders of NSI; demerger of the Themepark & Event Software Undertaking of Infibeam and transfer of the same to DRC which includes issuance of equity shares by DRC to the equity shareholders of Infibeam; increase in the authorised share capital of Suvidhaa and DRC; and for matters consequential, supplemental and/or otherwise integrally connected therewith.

**RATIONALE FOR THE SCHEME**

The proposed restructuring pursuant to this Scheme is expected, inter-alia, to result in following benefits:

1. Segregation of the SME E-Commerce Services Undertaking and the Themepark & Event Software Business Undertaking of Infibeam into Suvidhaa and DRC respectively and the E-Commerce Business Undertaking of NSI into Suvidhaa;

2. Allow management of each of the Resulting Companies to pursue independent growth strategies in markets;

3. It is believed that the proposed demerger will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;

4. Enhance competitive strength, achieve cost reduction and efficiencies of the aforesaid companies and thereby significantly contributing to future growth;

5. The demerger will also provide scope for collaboration and expansion.

## Definitions

**"Act"** means the Companies Act, 2013 and shall include any other statutory amendment or re-enactment or restatement and the rules and/ or regulations and/ or other guidelines or notifications under applicable Laws, made thereunder from time to time;

**"Appointed Date"** means 1st day of April 2020 or such other date as may be approved by the National Company Law Tribunal ('NCLT') or by any other competent authority;

**"Companies"** shall mean Infibeam, Suvidhaa, DRC and NSI;

**"Demerged Undertakings"** shall mean SME E-Commerce Services Undertaking, E-Commerce Business Undertaking and Themepark & Event Software Undertaking;

**"DRC"** or **"Resulting Company 2"** means DRC Systems India Limited, a public company incorporated with limited liability under the provisions of the Companies Act, 1956 with its registered office at 24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar – 382 355, Gujarat, India;

**“Effective Date”** means the date on which the certified copy of the order of NCLT under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 sanctioning the Scheme is filed with the Registrar of Companies, Gujarat, at Ahmedabad;

**“Existing Stock Option Schemes – Infibeam”** means the ‘Employee Stock Option Plan 2013-14’ and the ‘Employee Stock Option Plan 2014-15’ and the ‘Infibeam Employee Stock Option Plan 2019-20’ approved by the Board of Infibeam on 13 February 2013, 27 February 2014 and 29 June 2019 respectively;

**“Record Date”** means the date to be fixed by the Board of Directors of Suvidhaa and DRC for the purpose of determining the shareholders of Infibeam and NSI, as the case may be, to whom shares of Suvidhaa and DRC shall be allotted pursuant to Demerger under this Scheme;

**“Resulting Companies”** shall mean Suvidhaa and DRC;

**“Themepark & Event Software Business Funds”** shall have the meaning set forth in Clause 36.2;

**“Themepark & Event Software Undertaking”** means all the businesses, undertakings, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Themepark & Event Software Business, including the following:

all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Themepark & Event Software Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

All assets, as are movable in nature pertaining to and in relation to the Themepark & Event Software Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Governmental Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source, tax refunds and minimum alternate tax credit;

All permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Themepark & Event Software Business;

All contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Themepark & Event Software Business;

All applications, including hardware, software, licenses, source codes (including any copies thereof), scripts, registrations, goodwill, licenses, trademarks, trade names, service marks, copyrights, patents, patent rights, copyrights, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and rights of any description and nature whatsoever, perpetual right to use any other intellectual property of Infibeam having used in the Themepark & Event Software Business;

All rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Infibeam pertaining to or in connection with or relating to Infibeam in respect of the Themepark & Event Software Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Infibeam and pertaining to the Themepark & Event Software Business;

All books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Themepark & Event Software Business;

Investments in shares, debentures and other securities held by Infibeam in relation to the Themepark & Event Software Business;

All debts, liabilities including contingent liabilities, duties, Taxes and obligations of Infibeam in relation to and pertaining to the Themepark & Event Software Business;

All employees of Infibeam employed/engaged in and relatable to the Themepark & Event Software Business as on the Effective Date; and

All legal or other proceedings of whatsoever nature that pertain to the Themepark & Event Software Business

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Themepark & Event Software Business or whether it arises out of the activities or operations of the Themepark & Event Software Business, the same shall be decided by mutual agreement between Board of Directors of Infibeam and DRC.

Any terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract Regulation Act, 1956, Depositories Act, 1996, other applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## CONSIDERATION

As consideration for the transfer and vesting of the Themepark & Event Software Undertaking into DRC pursuant to the provisions of this Scheme, DRC issued and allotted to each shareholder of Infibeam, whose name was recorded in the register of members and records of the depositories as members of Infibeam, on the Record Date i.e. December 11, 2020 in ratio of 1 (One) equity share of Rs. 10/- (Rupees Ten Only) each of DRC credited as fully paid-up for every 412 (Four Hundred Twelve) equity shares of Re. 1/- (Rupee One Only) each held by such shareholder in Infibeam.

Pursuant to the Scheme of Arrangement taking effect, (i) all assets and liabilities of the Themepark & Event Software Undertaking of Infibeam were transferred to and vested in our Company, (ii) all legal or other proceedings by or against Infibeam relating to the Themepark & Event Software Undertaking were transferred to our Company, (iii) Infibeam was substituted by our Company in all contracts and legal proceedings pertaining to the Themepark & Event Software Undertaking, and (iv) all employees of Infibeam engaged in activities pertaining to Themepark & Event Software Undertaking became the employees of our Company,

It has to be noted that the features set out above being only the salient features of the scheme.

The shareholders are requested to read the entire text of the scheme to get fully acquainted with the provisions thereof and the rationale of the scheme.

***OUR MANAGEMENT***

**Board of Directors**

As per the Articles of Association, our Company is required to have not less than 3 (three) and not more than 15 (fifteen) Directors on our Board of Directors. The following table sets forth certain details regarding the Board of Directors as on date of this Information Memorandum:

Currently, our Company has 7 (seven) Directors on our Board, comprising of 1 Managing Director, 1 Executive Director, 1 Non-Executive Director, 4 Independent Directors, including one woman Director. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the Listing Agreement and the norms of the code of corporate governance as applicable to listed companies in India.

The Board of Directors of our Company comprises of the following members:

| Sr. No | DIN no. | Name | Date of Birth | PAN no. | Designation | Appointment Date | Address |
|---|---|---|---|---|---|---|---|
| 1 | 03111182 | Mr. Keyur Shah | 07/03/1979 | AWRPS8342Q | Non-Executive Chairman-Independent Director | December 05, 2020 | 204, Shakuntal Apartment Opp.C. N. Vidhyalaya, Ahmedabad - 380006 |
| 2 | 05251837 | Mr. Hiten Barchha | 03/12/1985 | AMTPB7533Q | Managing Director | June 08, 2020 | P-44, Asmaakam Phase-02, Nr. Samang Row House, Vejalpur, Ahmedabad - 380051 |
| 3 | 09019756 | Mr. Janmaya Pandya | 22/02/1990 | BYBPP9366E | Executive Director | January 06, 2021 | C-17, Ved Appartment Near Akar Society Behind Star Bazaar, Manekbag, Ahmedabad - 380015 |
| 4 | 06910440 | Mr. Sanket Khemuka | 07/03/1974 | ASSPK1117A | Non-Executive Director | December 05, 2020 | 301C Wing Karam Sankalp Nr Rajawadi Gardens, Opp |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | Somaiya Collage, Ghatkopar (E), Rajawadi, Mumbai - 400077 |
| 5 | 02800417 | Mr. Roopkishan Dave | 23/08/1955 | AEUPD9502Q | Independent Director | December 05, 2020 | Plot No. 296/2, Sector 7/A, Gandhinagar - 382007 |
| 6 | 08174430 | Mr. Jigar Shah | 13/09/1978 | BAZPS6853D | Independent Director | December 05, 2020 | 6, Sargan Flat, B/H New Vikas Gruh, Paldi, Ahmedabad - 380007 |
| 7 | 08991506 | Ms. Dipti Chitale | 08/06/1986 | AJTPC1683M | Independent Director | December 11, 2020 | E-1002, Orchid Elegance, South Bopal, Ahmedabad - 380058 |

**Relationship between Directors**

None of the Directors are related to each other as per the provisions of the Companies Act, 2013.

**Brief Profiles of Directors**

**Mr. Hiten Barchha (Managing Director)**

Mr. Hiten Barchha is an experienced professional with a demonstrated history of working in the information technology and services industry. He holds bachelor’s degree into computer science from DDU, Nadiad.

Mr. Hiten has over 13+ years of industry experience and focused on bringing innovation and efficiency to business by leveraging right IT tools and technologies. Passionate about potential use of new technologies that can help business remain ahead of curve.

**Mr. Janmaya Pandya (Executive Director)**

Janmaya Pandya, 30 years old, holds the position of Executive Director and Chief Financial Officer at DRC Systems India Limited. He has joined the company on December 05, 2020. He holds a Bachelor's degree in Commerce from H.L. College of Commerce, Gujarat and a PGDM – Finance from Goa Institute of Management, Goa. He has cleared Level II of the Chartered Financial Analyst Program of CFA Institute in 2018. Prior to joining our Company, he worked with Infibeam Avenues Limited as Manager – Finance and Audit for a period of approximately five and a half years, at HDFC Bank Limited, Pune for one and a half year and as a Finance Trainee at Zydus Cadila Healthcare Limited.

**Mr. Sanket Khemuka (Non- Executive Director)**

Mr. Sanket Khemuka holds a Master of Business Administration (Marketing) Degree from Keller Graduate School of Management and a Bachelor of Engineering (Electronics) Degree from Nagpur University. He is the current CEO of Mugenesys since 2014 and has 20 years of progressive experience in developing strategic initiatives that support product management, branding, business development, and sales in the technology industry. He has a proven track record of deploying and managing complex network infrastructures, combined with extensive experience in big data analytics, SaaS, and unified communications, data centre, and cloud computing protocols. He also routinely conducts in-depth market research to gather valuable insights, identify opportunities, and improve product positioning.

**Mr. Roopkishan Dave (Independent Director)**

Mr. Roopkishan Dave has over 42 years of experience. His domain expertise incudes Spectrum Management, Information and Communication Technology (ICT), Automation and Control system, Climate Adaptation, and Disaster Risk Management. As a civil servant, Mr. Dave worked with Central and State Governments in various capacities. He also providing consultancy services to National Disaster Management Authority (GoI), Gujarat State Disaster Management Authority (Govt. of Gujarat), Gujarat Info Petro Limited (Govt. of Gujarat Undertaking) and various other agencies working on projects funded by ADB, UNDP, World Bank, USAID etc. Mr. Dave represents on the Advisory committee of various institutions working on disaster risk mitigation, skill development and capacity building. He was also a member in the “Expert Committee” constituted by National Academies of Sciences (www.nas.edu), USA, on Future Alert and Warning System.

**Mr. Jigar Shah (Independent Director)**

Mr. Jigar Shah is a Fellow member of the ICAI, Insolvency Professional and Registered Valuer under the IBBI in the asset class of securities and financial assets. Mr. Jigar carries a vast experience of more than 18 years and has been in independent practice since 2012 in the areas of debt syndication, private equity, Insolvency Professional, Registered Valuer. Mr. Jigar Shah has worked with ICICI Bank and senior position with various merchant bankers. Mr. Jigar Shah has handled stressed assets of Rs.1000 Crores under IBC Code, 2016 and carried out valuation of more than Rs.1,00,000 Crores of various corporates (Indian/Overseas) including GSPC, NHDC Ltd, Just Dial, Dentsu, GMR etc.

**Mr. Keyur Shah (Independent Director)**

Mr. Keyur Shah is a Fellow member of the ICSI along with a master degree in Finance and Insolvency Professional. Mr. Shah is also a registered valuer under the IBBI in the asset class of securities and financial assets. Mr. Keyur carries a vast experience of more than 19 years and has been in independent practice since 2009 in the areas of debt syndication, private equity and legal advisory in India as well in Middle East, Hong Kong and UK. He was associated with the corporates and merchant banker (Religare Capital Markets Ltd.) during employment. He possesses legal acumen to appear before the NCLT/NCLAT and to act as Insolvency Professional under the Insolvency and Bankruptcy Code, 2016.

**Mrs. Dipti Chitale (Independent Director)**

Mrs. Chitale is Japanese Language Proficiency Test N-2 certified experienced Japanese bilingual with more than 8 years of experience in Japanese language translation, training and interpretation. She also holds the degree of Bachelor of Commerce from B.Y.K. Collage of Commerce, Nasik.

She is presently working as Translation Project Manager (Japanese) for ‘International Contact’(HO-USA). Mrs. Chitale is strong information technology professional skilled in translation of financial data, manuals, SOPs, SLAs, structural drawings, business emails and proofreading of machine translated content.

**Details of Directorship in Companies suspended or delisted**

None of our Directors are on Board of Companies suspended or delisted

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors have been appointed in the Board.

**Details of Service Contracts for providing benefits upon termination**

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

**Borrowing Powers of our Board of Directors**

In accordance with our Articles of Association and subject to the provisions of the Companies Act, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. Pursuant to a Special Resolution dated September 29, 2020 passed by the shareholders of our Company in its Annual General Meeting, in accordance with Section 180 of the Act, the Board is authorised to borrow up to an amount Rs. 1,250 Crore (Rupees One Thousand Two Hundred Fifty Crores Only) at any point of time.

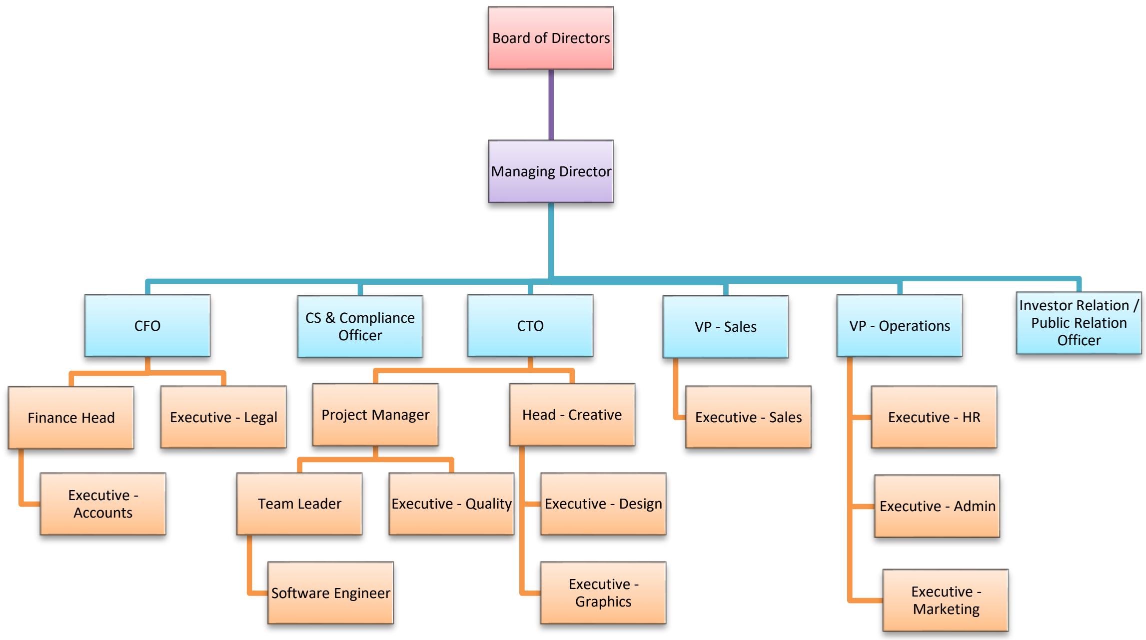
**Interest of Directors**

All or some of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and/or reimbursement of expenses, if any, payable to them and to the extent of related party transactions.

Our Directors may also be interested to the extent of any dividend payable to them and other distributions in respect of such shareholding.

Except as stated above, our Directors do not have any other interest in our business.

**Organization Chart**




**Corporate Governance**

Upon entering into the listing agreement pursuant to the provisions of the SEBI (LODR) Regulations with the Stock Exchanges, various compliances including with respect to corporate governance become applicable to us immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. To comply therewith, our Company has appointed Independent Directors to its Board and constituted the following Committees of the Board:

**1. Audit Committee**

The Audit Committee was constituted by our Board in its meeting held on December 5, 2020 in accordance with the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations. The Audit committee presently comprises of:

| Audit Committee | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Members** | **Designation** | **Category** |
| 1. | Mr. Jigar Shah | Chairman | Independent Director |
| 2. | Mr. Keyur Shah | Member | Independent Director |
| 3. | Mr. Roopkishan Dave | Member | Independent Director |
| 4. | Mr. Hiten Barchha | Member | Managing Director |

Our Company Secretary is the Secretary to the Committee. All members of the Audit Committee have requisite accounting and financial management expertise.

2. The Nomination and Remuneration Committee was constituted by our Board in its meeting held on December 5, 2020 in accordance with the requirements of section 178 of the Companies Act, 2013 and

Regulation 19 of SEBI (LODR) Regulations. The Nomination and Remuneration committee presently comprises of:

| Nomination and Remuneration Committee | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Members** | **Designation** | **Category** |
| 1. | Mr. Roopkishan Dave | Chairman | Independent Director |
| 2. | Mr. Jigar Shah | Member | Independent Director |
| 3. | Mr. Keyur Shah | Member | Independent Director |
| 4. | Mr. Sanket Khemuka | Member | Non-executive Director |

Our Company Secretary is the Secretary to the Committee.

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted by our Board in its meeting held on December 5, 2020 in accordance with the requirements of section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations. The Stakeholders Relationship committee presently comprises of:

| Stakeholders Relationship Committee | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Members** | **Designation** | **Category** |
| 1. | Mr. Keyur Shah | Chairman | Independent Director |
| 2. | Mr. Jigar Shah | Member | Independent Director |
| 3. | Mr. Roopkishan Dave | Member | Independent Director |

Our Company Secretary is the Secretary to the Committee.

Following are Key Managerial Personnel of our Company

| **Name** | **Designation** | **Age** | **Qualification** | **Exp.** | **DOJ** | **Prev. Emp.** |
|---|---|---|---|---|---|---|
| Mr. Hiten Barchha | Managing Director | 35 | Bachelor's degree into computer science | 13+ | November 09, 2020 | |
| Mr. Jainam Shah | Company Secretary & Compliance Officer | 26 | Company Secretary, Bachelor of Commerce and Bachelor of Law | 4+ years | December 01, 2020 | Infibeam Avenues Limited |
| Mr. Janmaya Pandya | Chief Financial Officer | 30 | PGDM – Finance, Level – II – CFA, Bachelor of Commerce. | 7+ years | December 05, 2020 | Infibeam Avenues Limited |

**Relationship between Board Members and KMPs**

None of the Board Members and KMPs are related to each other as per the provisions of the Companies Act.

**Shareholding of KMP:**

| **Name** | **Designation** | **Age** | **Qualification** | **Exp.** | **DOJ** | **Prev. Emp.** | **No. of Shares** |
|---|---|---|---|---|---|---|---|
| Mr. Hiten | Managing | 35 | Bachelor's degree | 13+ | November | - | 89,891 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Barchha | Director | | into computer science | years | 09, 2020 | | |
| Mr. Jainam Shah | Company Secretary & Compliance Officer | 26 | Company Secretary, Bachelor of Commerce and Bachelor of Law | 4+ years | December 01, 2020 | Infibeam Avenues Limited | 9 |
| Mr. Janmaya Pandya | Chief Financial Officer | 30 | PGDM – Finance, Level – II – CFA, Bachelor of Commerce. | 7+ years | December 05, 2020 | Infibeam Avenues Limited | 7 |

**Change in KMPs in last 3 years**

| Name | Designation | DIN | Date of Join | Date of Resign |
|---|---|---|---|---|
| Mr. Hiten Barchha | Managing Director | 05251837 | November 09, 2020 | - |
| Mr. Jainam Shah | Company Secretary & Compliance Officer | - | December 01, 2020 | - |
| Mr. Janmaya Pandya | Chief Financial Officer | 09019756 | December 05, 2020 | - |

**Employees**

Upon the Scheme becoming effective, all employees of the Demerged Undertaking of Infibeam Avenues Limited will be deemed to have become employees of our Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to Infibeam Avenues Ltd on the Effective Date i.e. December 02, 2020

**ESOP**

Our Company does not have any ESOP scheme.

## *OUR PROMOTERS, GROUP AND GROUP COMPANIES*

**Promoters of DRC Systems India Ltd.:**

| Sr. No. | Name |
|---|---|
| 1 | Mr. Hiten Ashwinbhai Barchha |
| 2 | Mr. Kirit Kadvabhai Gajera |
| 3 | Ms. Shivben Popatbhai Sutariya |
| 4 | Mr. Yogesh Popatbhai Sutariya |
| 5 | Ms. Avni Hiten Barchha |
| 6 | Mr. Ajay Manjibhai Patel |

**Mr. Hiten Barchha**

Mr. Hiten Barchha is one of the promoter of our company. He is an experienced professional with a demonstrated history of working in the information technology and services industry. He holds bachelor's degree into computer science from DDU, Nadiad.

Mr. Hiten has over 13+ years of industry experience and focused on bringing innovation and efficiency to business by leveraging right IT tools and technologies. Passionate about potential use of new technologies that can help business remain ahead of curve.

**Mrs. Avni Barchha**

Mrs. Avni Barchha born in 1986, is one of the promoters of our company. She is wife of Mr. Hiten Barchha. She has Bachelor's degree of Commerce from M.S. University, Vadodara. She is also deeply involved into social activities.

**Mr. Kirit Gajera**

Mr. Kirit Gajera is one of the promoters of our company. He has overall experience of more than 15 years in IT industry. He holds the degree of Bachelor of Engineering in Information Technology from Atmiya University and Post Graduate Certification in Digital Marketing & Communication from Mudra Institute of Communications. Major experience in Start-up management, Digital transformation, Problem solving and Culture/team building of organisation to generate outcome. His Volunteer experience includes Digital Transformation Consulting in Swaminarayan Gurukul Rajkot Sansthan and lead fundraising for Chinmay Resident Institute for Mentally Retarded, Ahmedabad.

**Mr. Yogesh Sutariya**

Mr Yogesg Sutariya is one of the promoter of our company. Mr. Sutariya is serial entrepreneur, a proud founder and managing Director at Yogiraj Buildcon Private Limited. He is currently working with multiple residential projects in Ahmedabad, Gujarat India. Since the last two decades he has successfully completed a few hundred homes across the city.

Yogesh sutariya is very much passionate about new technologies and due to his active interest in information technology he became one of the co-founder and promoters in DRC SYSTEMS INDIA LTD. His interest in IT and civil helped the company to create very dynamic softwares in the construction industry. The software is implemented in Gujarat for the first time by some of the top ranked construction companies across the state.

**Ms. Shivben Sutariya**

Shivben Sutariya is one of the promoter of our company. By sharing the real-life time experiences of 6 decades plus time she encourages the team to deal with tough times and stay afloat.

She is always very energetic and an active volunteer at a world recognized NGO and strongly believes one must give back to society and an evergreen positive attitude about never stopping learning.

**Mr. Ajay Manjibhai Patel**

Mr. Ajay Manjibhai Patel is one of the promoter of our company. He has overall experience of more than 13 years in Finance industry. Mr. Patel has been ably guiding the company by providing strong strategic direction. His eye for detail and commitment towards Organisational Development has been instrumental in fuelling the growth of the company.

## OUR PROMOTER GROUP

In addition to our Promoter, the individuals and entities that form a part of the Promoter Group of our Company in terms of SEBI ICDR Regulations are:

**Natural Persons:**

| Sr. No. | Full Name |
|---|---|
| 1. | Mr. Ashwin Barchha |
| 2. | Ms. Meena Barchha |
| 3. | Ms. Shraddha Rajdev |
| 4. | Mr. Rhythm Barchha |
| 5. | Mr. Praful Samani |
| 6. | Ms. Neelam Samani |
| 7. | Mr. Ritesh Samani |
| 8. | Ms. Mital Kiritkumar Gajera |
| 9. | Ms. Kantaben Kadvabhai Gajera |
| 10. | Mr. Ashvinbhai Kadvabhai Gajera |
| 11. | Ms. Nitaben Lalitkumar Dobariya |
| 12. | Ms. Meera Kiritkumar Gajera |
| 13. | Mr. Madhav Kiritkumar Gajera |
| 14. | Ms. Vimala Sutariya |
| 15. | Mr. Amababhai Patel |
| 16. | Mrs. Savitaben Vithani |
| 17. | Mr. Mahesh Sutariya |
| 18. | Mr. Jayeshbhai Patel |
| 19. | Ms. Varshaben Mayani |
| 20. | Mr. Rohan Yogeshbhai Sutariya |
| 21. | Mr. Harsh Yogeshbhai Sutariya |
| 22. | Mr. Diyalbhai Italiya |
| 23. | Mr. Dayabhai Italiya |
| 24. | Mr. Harjibhai Sutariya |
| 25. | Ms. Kantaben Bhingradya |
| 26. | Ms. Rupali Dakhole |
| 27. | Ms. Virumatiben Patel |
| 28. | Ms. Leenaben Mendapara |
| 29. | Ms. Shorya Amdhare |

**Body Corporate:**

| Sr. No. | Full Name |
|---|---|
| 1. | Pushtisanskar Panchgavya Private Limited |
| 2. | Yogiraj Buildcon Private Limited |

**Interest of Promoters**

Our Promoters shall be deemed as interested to the extent of equity shares held by them or by the companies / firms /ventures promoted by them, if any, and dividend or other distributions payable to them in respect of the said equity shares.

Except as stated above and in the section titled *"Financial statements"* on page 83 of the Information Memorandum and to the extent of shareholding in our Company, our Promoters do not have any other interest in our Business.

Our Promoters, Directors and Group Companies have no interest, whether direct or indirect, in any property acquired by our Company within the preceding two years from the date of this Information Memorandum or proposed to be acquired by it as on the date of this Information Memorandum, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

**Related Party Transactions**

For details of the related party transactions, see “Financial Statements (on page 83) – Restated Financial Statements – Related Party Transactions, as restated.

**Our Group Companies**

Prior to the scheme of Arrangement, DRC Systems India Ltd. was a subsidiary of Infibeam Avenues Ltd. During the previous financial years, there were various transactions entered by DRC Systems India Ltd. Statements for the previous three financial years have been provided in this Information Memorandum.

Post approval of the Scheme of Arrangement by the order of Hon’ble NCLT, Ahmedabad Bench and pursuant to the scheme coming to effect, Infibeam holds 29.69% equity shares of DRC. The share holding pattern of DRC Systems India Ltd. is as disclosed in Chapter IV on Page 69.

**Dividend Policy**

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by Our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable laws, including the Companies Act.

The dividend, if my, will depend on a number of factors, including but not limited to our results of operations, earnings, capital requirements and surplus, financial conditions, contractual obligations, business prospects, applicable legal restrictions and other factors considered relevant by the Board. Our Board may also declare interim dividend in accordance with the provisions the Companies Act.

## SECTION VI

### *FINANCIAL STATEMENTS*

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**Financial Statements begins on next page**

The Board of Directors

**DRC SYSTEMS INDIA LIMITED**

(Formerly known as DRC Systems India Private Limited)

1. We have examined the summary financial statements of DRC Systems India Limited ('the Company') (Formerly known as DRC Systems India Private Limited) which comprise the summary balance sheet as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 and the summary statement of profits and loss and summary statement of cash flows for the years ended September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, and with the notes derived from the audited financial statements of respective years. We expressed an unmodified opinion on the financial statements for the year ended September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 dated November 11, 2020, June 01, 2020, May 29, 2019 and May 15, 2018. The figures included in the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of auditors reports on those financial statements.

The summary financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 [applied in the preparation of the audited financial statements of the Company]. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Company

**Management's Responsibility for the Summary Financial Statements**

The Company's Board of Directors is responsible for the preparation of a summary of the audited financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Furthermore the Board of Directors is also responsible for the matters stated in the securities and Exchange Board of India (SEBI) – (Issue of Capital and Disclosure Requirements) Regulations,2009 (SEBI guidelines) issued by the Securities Exchange Board of India (SEBI) under section 11 of Securities and Exchange Board of India Act,1992 and related clarifications thereto.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the summary financial statements based on the procedures, as stated in Standard on Auditing (SA) 810, " Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

**Opinion**

In our opinion the aforesaid summary financial statements derived from the audited financial statements of DRC Systems India Limited (Formerly known as DRC Systems India Private Limited) for the years ended September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 are a fair summary of these financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

DRC SYSTEMS INDIA LIMITED

**Other Matters**

This report should not in any way be construed as a reissuance or re-dating of any of the previous reports issued by us nor should it be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Information Memorandum in connection with listing of shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

**For Rajpara Associates,**
**Chartered Accountants**
**Firm Reg. No. 113428W**

**Chandramaulin J Rajpara**
**Partner**
**Membership No. 046922**

**Place: Ahmedabad**
**Date : 06/01/2021**
**UDIN: 21046922AAAAAK8302**

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

## Summary of standalone statement of assets and liabilities, as restated

*(Amounts in Rs million )*

| Particulars | Notes | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **I. Non-current assets** | | | | | |
| Property, plant and equipment | 3 | 1.61 | 1.78 | 3.31 | 6.51 |
| Other intangible assets | 4 | 38.97 | 1.29 | 2.27 | 3.34 |
| Financial assets | | | | | |
| (i) Investments | 5 | 0.00 | 0.00 | 0.00 | 0.00 |
| Deferred tax assets (net) | | 3.57 | 2.04 | 2.07 | 1.76 |
| Income tax assets (net) | 7 | 0.65 | 0.27 | 1.19 | 4.04 |
| **Total non-current assets** | | **44.80** | **5.38** | **8.84** | **15.66** |
| **II.Current assets** | | | | | |
| Financial assets | | | | | |
| (i) Trade receivables | 5 | 37.80 | 36.55 | 94.85 | 69.43 |
| (ii) Cash and cash equivalents | 5 | 4.18 | 5.26 | 7.82 | 26.68 |
| (iii) Others financial assets | 5 | 1.87 | 1.77 | 6.05 | 2.53 |
| Other current assets | 6 | 10.56 | 2.82 | 6.05 | 8.70 |
| **Total current assets** | | **54.41** | **46.39** | **114.77** | **107.34** |
| **Total Assets** | | **99.21** | **51.77** | **123.61** | **123.00** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity share capital | 8 | 22.50 | 22.50 | 13.50 | 13.50 |
| Other equity | 9 | 31.72 | 1.47 | 9.84 | 8.92 |
| **Total equity** | | **54.22** | **23.97** | **23.34** | **22.42** |
| **LIABILITIES** | | | | | |
| **I. Non-current liabilities** | | | | | |
| Provisions | 11 | 4.07 | 3.74 | 3.49 | 3.04 |
| (c) Deferred tax liabilities (net) | | - | - | - | - |
| Other non-current liabilities | | - | - | - | 38.10 |
| (e) Other non-current liabilities | | | | | |
| **Total non-current liabilities** | | **4.07** | **3.74** | **3.49** | **41.14** |
| **II.Current liabilities** | | | | | |
| Financial liabilities | | | | | |
| (i) Trade payables | 10 | | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 10 | - | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 10 | 14.03 | 13.62 | 10.29 | 5.90 |
| (ii) Other financial liabilities | 10 | 8.01 | 5.59 | 43.26 | 27.32 |
| Other current liabilities | 12 | 17.93 | 3.90 | 42.69 | 25.57 |
| Provisions | 11 | 0.94 | 0.94 | 0.55 | 0.65 |
| Current tax liabilities (net) | | - | - | | |
| **Total current liabilities** | | **40.92** | **24.05** | **96.78** | **59.44** |
| **Total equity and liabilities** | | **99.21** | **51.77** | **123.61** | **123.00** |
| Summary of significant accounting policies | 1-2 | | | | |

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

**As per our report of even date**
**For, Rajpara Associates**
**Chartered Accountants**

**ICAI Firm's Registration No. 113428W**

**For and on behalf of the board of directors of**
**DRC Systems India Limited**
*(Formerly known as DRC Systems India Private Limited)*
CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**
**Partner**
Membership No.046922
Place : Ahmedabad
Date : January 06,2021

**Hiten Barccha**
Managing Director
DIN: 05251837
Place : Gandhinagar
Date : January 06, 2021

**Janmaya P Pandya**
Executive Director & C.F.O.
DIN: 09019756
Place : Gandhinagar
Date : January 06, 2021

**Jainam A Shah**
Company Secretary

Place : Gandhinagar
Date : January 06, 2021

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

## Summary of standalone statement of profit and loss, as restated

*(Amounts in Rs million )*

| Particulars | Notes | Period ended September 30, 2020 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Revenue from operations | 13 | 94.19 | 108.67 | 129.84 | 96.13 |
| Other income | 14 | 1.06 | 7.59 | 2.85 | 26.43 |
| **Total income (I)** | | **95.25** | **116.26** | **132.69** | **122.57** |
| **Expenses** | | | | | |
| Cost of services | | 46.61 | - | - | - |
| Employee benefits expense | 15 | 38.07 | 77.13 | 114.10 | 101.80 |
| Finance costs | 16 | 0.22 | 1.06 | 2.31 | 0.92 |
| Depreciation and amortisation expense | 17 | 13.53 | 2.58 | 4.46 | 5.16 |
| Other expenses | 18 | 5.20 | 34.85 | 11.16 | 11.15 |
| **Total expenses (II)** | | **103.64** | **115.62** | **132.02** | **119.03** |
| **Profit before tax (III) = (I-II)** | | **(8.39)** | **0.64** | **0.66** | **3.53** |
| **Tax expense** | | | | | |
| Current tax | | - | 0.49 | 0.97 | 1.69 |
| Deferred tax | | (1.53) | 0.03 | (0.30) | (1.31) |
| **Total tax expense (IV)** | | **(1.53)** | **0.52** | **0.66** | **0.38** |
| **Profit for the year (V) = (III-IV)** | | **(6.86)** | **0.11** | **(0.00)** | **3.15** |
| **Other comprehensive income** | | | | | |
| **A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:** | | | | | |
| Re-measurement gains / (losses) | | - | 0.52 | 0.92 | -0.79 |
| Income tax effect | | - | - | - | |
| **Total other comprehensive income for the year, net of tax (VI)** | | - | 0.52 | 0.92 | -0.79 |
| **Total comprehensive income for the year, net of tax (V+VI)** | | **(6.86)** | **0.63** | **0.92** | **2.36** |
| Earning per equity share [nominal value per share Rs.10/- (March 31, 2019: Rs.10/- )] | | | | | |
| Basic | | (1.78) | 0.34 | (0.0002) | 2.33 |
| Diluted | | (1.78) | 0.34 | (0.0002) | 2.33 |
| Summary of significant accounting policies | 1-2 | | | | |

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

**As per our report of even date**
**For, Rajpara Associates**
**Chartered Accountants**

**ICAI Firm's Registration No. 113428W**

**For and on behalf of the board of directors of**
**DRC Systems India Limited**
*(Formerly known as DRC Systems India Private Limited)*

CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**
**Partner**
Membership No.046922
Place : Ahmedabad
Date : January 06, 2021

**Hiten Barccha**
Managing Director
DIN: 05251837
Place : Gandhinagar
Date : January 06, 2021

**Janmaya P Pandya**
Executive Director & C.F.O.
DIN: 09019756
Place : Gandhinagar
Date : January 06, 2021

**Jainam A Shah**
Company Secretary

Place : Gandhinagar
Date : January 06, 2021

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

**Statement of changes in Equity for the period ended September 30, 2020**

**A. Equity share capital, as restated**

*(Amounts in Rs million )*

| Balance | Note 8 |
|---|---|
| **As at March 31, 2017** | **13.50** |
| Issue of Equity Share capital | - |
| **As at March 31, 2018** | **13.50** |
| Issue of Equity Share capital | - |
| **As at March 31, 2019** | **13.50** |
| Issue of Bonus Equity Shares | 9.00 |
| **As at March 31, 2020** | **22.50** |
| Issue of Equity Share capital | - |
| **As at March 31, 2020** | **22.50** |

**B. Other equity, as restated**

*(Amounts in Rs million )*

| **Particulars** | **Reserves and Surplus Retained Earnings** Note 9 | **Capital reserve** Note 9 | **Issue of Shares on Scheme of Arrangement** Note 9 | **Total other equity** Note 9 |
|---|---|---|---|---|
| Balance as at April 1, 2017 | **6.56** | - | - | **6.56** |
| Profit for the year | 3.15 | - | - | **3.15** |
| Other comprehensive income for the year | (0.79) | - | - | **(0.79)** |
| Total Comprehensive income for the year | 2.36 | - | - | **2.36** |
| **Balance as at March 31, 2018** | **8.92** | - | - | **8.92** |
| Balance as at April 1, 2018 | **8.92** | - | - | **8.92** |
| Profit for the year | (0.00) | - | - | **-0.00** |
| Other comprehensive income for the year | 0.92 | - | - | **0.92** |
| Total Comprehensive income for the year | 0.92 | - | - | **0.92** |
| **Balance as at March 31, 2019** | **9.84** | - | - | **9.84** |
| Balance as at April 1, 2019 | **9.84** | - | - | **9.84** |
| Profit for the year | 0.11 | - | - | **0.11** |
| Other comprehensive income for the year | 0.52 | - | - | **0.52** |
| Total Comprehensive income for the year | 0.63 | - | - | **0.63** |
| Issue of Bonus Shares | (9.00) | - | - | **(9.00)** |
| **Balance as at March 31, 2020** | **1.47** | - | - | **1.47** |
| Balance as at April 1, 2020 | **1.47** | - | - | **1.47** |
| Profit for the period | (6.86) | - | - | **(6.86)** |
| Other comprehensive income for the period | - | - | - | - |
| Add: Addition on Scheme of Arrangement | - | 37.12 | - | **37.12** |
| Shares required to be issued as per Scheme of Arrangement | - | (16.15) | 16.15 | - |
| Total Comprehensive income for the period | (6.86) | 20.96 | 16.15 | **30.25** |
| **Balance as at September 30, 2020** | **(5.39)** | **20.96** | **16.15** | **31.72** |

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

As per our report of even date

**As per our report of even date**
**For, Rajpara Associates**
**Chartered Accountants**

**ICAI Firm's Registration No. 113428W**

**For and on behalf of the board of directors of**
**DRC Systems India Limited**
(Formerly known as DRC Systems India Private Limited)
CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**
**Partner**
Membership No.046922
Place : Ahmedabad
Date : January 06, 2021

**Hiten Barccha**
Managing Director
DIN: 05251837
Place : Gandhinagar
Date : January 06, 2021

**Janmaya P Pandya**
Executive Director & C.F.O.
DIN: 09019756
Place : Gandhinagar
Date : January 06, 2021

**Jainam A Shah**
Company Secretary
Place : Gandhinagar
Date : January 06, 2021

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

## Statement of standalone cash flows, as restated for the year/period ended

*(Amounts in Rs million )*

| Particulars | September 30, 2020 | | March 31, 2020 | | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|---|---|---|---|
| **A Operating activities** | | | | | | | | |
| Profit before tax | | **(8.39)** | | **0.64** | | **0.66** | | **3.53** |
| *Adjustments to reconcile profit before tax to net cash flows:* | | | | | | | | |
| Depreciation /Amortization | 13.53 | | 2.58 | | 4.46 | | 5.16 | |
| ESOP Expense | 3.61 | | 8.79 | | 29.61 | | 18.74 | |
| Bad Debts | - | | 0.10 | | - | | | |
| Balances Written off | - | | 4.16 | | - | | | |
| No Longer Payable | - | | - | | - | | | |
| Interest Income | (0.08) | | (0.22) | | (0.20) | | (26.19) | |
| | | **17.05** | | **15.42** | | **33.86** | | **-2.29** |
| | | **8.66** | | **16.05** | | **34.52** | | **1.24** |
| **Operating Profit before Working Capital Changes** | | | | | | | | |
| Working Capital Changes: | | | | | | | | |
| Changes in Trade Payable | 0.41 | | 3.33 | | 4.39 | | 2.96 | |
| Changes in trade receivables | (0.19) | | 58.20 | | (25.42) | | (51.85) | |
| Changes in other current & non current assets | (7.85) | | 3.36 | | (1.19) | | 291.43 | |
| Decrease in other current and non current liabilities and provisions | (5.76) | | (84.08) | | (33.39) | | (235.76) | |
| **Net Changes in Working Capital** | | (13.38) | | (19.18) | | (55.61) | | 6.79 |
| **Cash Generated from Operations** | | **(4.72)** | | **(3.13)** | | **(21.09)** | | **8.03** |
| Direct Taxes paid | | (0.39) | | 0.43 | | 2.19 | | (1.85) |
| **Net Cash from Operating Activities (A)** | | **(5.11)** | | **(2.70)** | | **(18.89)** | | **6.18** |
| **B Cash Flow from Investing Activities** | | | | | | | | |
| Purchase and construction of fixed assets(tangible and intangible fixed assets and intangible assets under development) | (0.05) | | (0.08) | | (0.41) | | (6.79) | |
| Proceeds from Fixed Assets | - | | - | | 0.23 | | 0.06 | |
| Interest received | 0.08 | | 0.22 | | 0.21 | | 26.20 | |
| **Net cash flow from Investing Activities (B)** | | **0.03** | | **0.14** | | **0.03** | | **19.48** |
| **C Cash Flow from Financing Activities** | | | | | | | | |
| | - | | - | | - | | - | |
| **Net Cash flow from Financing Activities ©** | | - | | - | | - | | - |
| **Net Increase/(Decrease) in cash & cash equivalents** | | **(5.07)** | | **(2.56)** | | **(18.86)** | | **25.65** |
| Cash & Cash equivalent at the beginning of the year | | 5.26 | | 7.82 | | 26.68 | | 1.03 |
| Cash & Cash equivalent pursuant to Scheme of Arrangement | | 3.99 | | | | | | |
| **Cash & Cash equivalent at the end of the year** | | **4.18** | | **5.26** | | **7.82** | | **26.68** |

*(Amounts in Rs million )*

| Particulars | Year ended September 30, 2020 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| **Cash and cash equivalents comprise of: (Note 5)** | | | | |
| Balances with Banks | | | | |
| Current accounts | 4.07 | 5.15 | 7.72 | 26.65 |
| Bank deposits maturing within 3 months from reporting date | - | - | - | |
| Cash on Hand | 0.11 | 0.11 | 0.09 | 0.03 |
| **Cash and cash equivalents** | **4.18** | **5.26** | **7.82** | **26.68** |

**As per our report of even date**
**For, Rajpara Associates**
**Chartered Accountants**

**ICAI Firm's Registration No. 113428W**

**For and on behalf of the board of directors of**
**DRC Systems India Limited**
*(Formerly known as DRC Systems India Private Limited)*
CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**
**Partner**
Membership No.046922
Place : Ahmedabad
Borrowings

**Hiten Barccha**
Managing Director
DIN: 05251837
Place : Gandhinagar
Date : January 06, 2021

**Janmaya P Pandya**
Executive Director & C.F.O.
DIN: 09019756
Place : Gandhinagar
Date : January 06, 2021

**Jainam A Shah**
Company Secretary
Place : Gandhinagar
Date : January 06, 2021

DRC SYSTEMS INDIA LIMITED

**DRC Systems India Limited**

*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

(Currency: Indian Rupees)

1. Company Overview and Significant Accounting Policies

a. Company overview

For FY 19-20 and Period ended September 30,2020

DRC Systems India Limited *(formerly known as DRC Systems India Private Limited)* ('the Company') was incorporated on April 27, 2012 under the Companies Act, 1956. The Company is a service company and its principal activities comprise of software development, information technology consulting services and recruitment related services.

For FY 17-18 to FY 18-19

DRC Systems India Private Limited ('the Company') was incorporated on April 27, 2012 under the Companies Act, 1956. The Company is a service company and its principal activities comprise of software development, information technology consulting services and recruitment related services.

b. Basis of preparation of financial statements

For FY 17-18 to Period ended September 30,2020

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

c. Critical accounting estimates

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

DRC SYSTEMS INDIA LIMITED

**DRC Systems India Limited**

*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

1. Estimates and assumption

For FY 17-18 to Period ended September 30,2020
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2. Defined benefit plans

For FY 17-18 to Period ended September 30,2020
The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. Discount rate has been determined by reference to market yields on the government bonds as at the balance sheet date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

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

3. Taxes

For FY 17-18 to Period ended September 30,2020
Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4. Intangible asset including intangible asset under development

For FY 17-18 to Period ended September 30,2020
Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use. Research and maintenance costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 2.5 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has

DRC SYSTEMS INDIA LIMITED

been disclosed in Note 4.

5. Property, plant and equipment

For FY 17-18 to Period ended September 30,2020
Refer Note 2.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3.

6. Revenue recognition

For FY 17-18

Revenue from the services rendered is recognized proportionally over the period in which the services are rendered as per the rates and terms agreed with the customer.

For FY 18-19 to Period ended September 30,2020

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

**2. Summary of Significant Accounting Policies**

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

**2.1 Current versus non-current classification**

For FY 17-18 to Period ended September 30,2020
The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**2.2 Foreign currencies**

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

Transactions and balances

For FY 17-18 to Period ended September 30,2020
Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition.

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

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

**2.3 Fair value measurement**

For FY 17-18 to Period ended September 30,2020

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

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

DRC SYSTEMS INDIA LIMITED

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

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

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

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

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

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

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

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

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

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

## 2.4 Property, plant and equipment

For FY 17-18 to Period ended September 30,2020

The Company has elected to continue with the carrying value for all of its property, plant and equipment's assets as recognised in its previous GAAP financial as deemed cost at the transition date, i.e., 1 April 2015.

DRC SYSTEMS INDIA LIMITED

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

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

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

- Plant and equipment - 5 to 10 years
- Furniture & Fixtures - 10 years
- Computer & Peripherals - 3 to 6 years

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

**2.5** Intangible Assets

For FY 17-18 to Period ended September 30,2020

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

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

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

DRC SYSTEMS INDIA LIMITED

is recognised in the statement of profit and loss.

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

Amortisation

Period of Amortisation of Intangibles is calculated as follows:

- Internally generated /Acquired Computer Software – 3 to 5 years

Intangible assets under development

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

**2.6** Leases

For FY 17-18 to Period ended September 30,2020

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating leases are deferred and charged to the statement of profit and loss over the lease term.

**2.7** Impairment of non-financial assets

For FY 17-18 to Period ended September 30,2020

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

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

**2.8** Borrowing cost

For FY 17-18 to Period ended September 30,2020

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

**2.9** Revenue Recognition

For FY 17-18

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of services

Revenue from the services rendered is recognized proportionally over the period in which the services are rendered as per the rates and terms agreed between parties and when no significant uncertainty exists regarding the recoverability of amount of the consideration from rendering the service.

For FY 18-19 to Period ended September 30,2020

Rendering of services

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

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

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

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

DRC SYSTEMS INDIA LIMITED

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

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

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

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

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

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

Interest income

For FY 17-18 to Period ended September 30,2020
For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Export incentives
For FY 17-18 to Period ended September 30,2020
Export incentives are accounted on accrual basis based on services rendered.

**2.10** Financial instruments – initial recognition and subsequent measurement

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

DRC SYSTEMS INDIA LIMITED

a) Financial assets

For FY 17-18 to Period ended September 30,2020

(i) Initial recognition and measurement.

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

(ii) Subsequent measurement

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

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

- Debt instruments at amortised cost:

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

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

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

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

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

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

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

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

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

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

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

- Equity instruments:

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

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

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

- Investment in subsidiaries and associates:

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

(iii) Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and

DRC SYSTEMS INDIA LIMITED

rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b) Financial Liabilities

For FY 17-18 to Period ended September 30,2020

(i) Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

DRC SYSTEMS INDIA LIMITED

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

- Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Offsetting of financial instruments

For FY 17-18 to Period ended September 30,2020

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.11** Cash and cash equivalent

For FY 17-18 to Period ended September 30,2020

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.12** Taxes

For FY 17-18 to Period ended September 30,2020

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

DRC SYSTEMS INDIA LIMITED

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company does not recognizes tax credits in the nature of MAT credit as an asset since there is no convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the future year in which the Company recognizes tax credits as an asset, the said asset will be created by way of tax credit to the Statement of profit and loss.

### 2.13 Retirement and other employee benefits

For FY 17-18 to Period ended September 30,2020

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

b) Post-Employment Benefits

DRC SYSTEMS INDIA LIMITED

(i) Defined benefit plan

Gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet reduced by the fair value of any plan assets. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company has not invested in any fund for meeting liability.

**2.14** Employee stock option schemes

For FY 17-18 to FY 18-19

The Employees Stock Option Scheme ('the Scheme') provides for grant of equity shares of Infibeam Avenues Limited (the holding company) to employees of the Company. The scheme provides that employees are granted an option to subscribe to equity share of the holding company that vest in a graded manner. The options may be exercised within specified period. The holding company follows the fair value method to account for its stock based employee compensation plans. The expense recognised in the Statement of profit and loss for a period represents the cost charged by the holding company net of cost recovered from fellow subsidiaries on proportionate basis.

For FY 18-19 to Period ended September 30,2020

The Employees Stock Option Scheme ('the Scheme') provides for grant of equity shares of Infibeam Avenues Limited (*formerly known as Infibeam Incorporation Limited*) (the holding company) to employees of the Company. The scheme provides that employees are granted an option to subscribe to equity share of the holding company that vest in a graded manner. The options may be exercised within specified period. The

DRC SYSTEMS INDIA LIMITED

holding company follows the fair value method to account for its stock based employee compensation plans. The expense recognised in the Statement of profit and loss for a period represents the cost charged by the holding company net of cost recovered from fellow subsidiaries on proportionate basis.

### 2.15 Earnings per share

For FY 17-18 to Period ended September 30,2020

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 2.16 Segment reporting

For FY 17-18 to Period ended September 30,2020

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

### 2.17 Provisions

For FY 17-18 to Period ended September 30,2020

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in

DRC SYSTEMS INDIA LIMITED

the provision due to the passage of time is recognised as a finance cost.

Contingencies

Provision in respect of contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**2.18**

For FY 17-18

First-time adoption of Ind-AS

These financial statements of DRC Systems India Private Limited for the year ended 31 March 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Group has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard , with March 31, 2017 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the Company's financial statements for the year ended 31 March 2018 and the comparative information.

Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets Accordingly, the Company has elected to measure all of its intangible assets at their previous GAAP carrying value.

DRC SYSTEMS INDIA LIMITED

For FY 18-19

### Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

### Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application, or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The effect of this amendment on the financial statements of the Company is being evaluated.

### Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss),

DRC SYSTEMS INDIA LIMITED

tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and

- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

Further, the amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19, plan amendment, curtailment or settlement:**
On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Ind AS 109 – Prepayment Features with Negative Compensation**
The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Company does not expect this amendment to have any impact on its financial statements.

DRC SYSTEMS INDIA LIMITED

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

For FY 19-20

Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the financial statements of the Company.

(i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

These amendments have no impact on the standalone financial statements of the Company.

DRC SYSTEMS INDIA LIMITED

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example; (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the standalone financial statements of the Company.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment,

DRC SYSTEMS INDIA LIMITED

curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (longterm interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company is in compliance with the said amendment.

**2.19** Annual Improvements to Ind AS 2018

(i) Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the standalone financial statements of the Company as there is no transaction where joint control is obtained.

(ii) Ind AS 111 Joint Arrangements

DRC SYSTEMS INDIA LIMITED

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the standalone financial statements of the company as there is no transaction where a joint control is obtained.

(iii) Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

(iv) Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company

**2.20** Standards issued but not yet effective

For FY 17-18

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The effect of this amendment on the financial statements of the Company is being evaluated.

DRC SYSTEMS INDIA LIMITED

For FY 19-20 to Period ended September 30,2020

There are no standards that are issued but not yet effective on March 31, 2020 and September 30, 2020 .

DRC SYSTEMS INDIA LIMITED

**Note 3 : Property, plant and equipment, as restated**

*(Amounts in Rs million )*

| Particulars | Plant & machinery | Furniture & fixture | Office equipment | Computer, server & network | Total |
|---|---|---|---|---|---|
| **Gross Block** | | | | | |
| **As at April 1, 2017** | **7.63** | **2.66** | **-** | **8.15** | **18.44** |
| Additions | 0.37 | 0.01 | - | 1.92 | 2.29 |
| Deductions | 0.01 | 0.01 | - | 0.05 | 0.06 |
| **As at March 31, 2018** | **7.99** | **2.66** | **-** | **10.03** | **20.67** |
| Additions | - | - | - | 0.41 | 0.41 |
| Deductions | (0.13) | (0.09) | - | (0.01) | (0.23) |
| **As at March 31, 2019** | **7.85** | **2.57** | **-** | **10.43** | **20.85** |
| Additions | - | - | - | 0.08 | 0.08 |
| Deductions | - | - | - | - | - |
| **As at March 31, 2020** | **7.85** | **2.57** | **-** | **10.51** | **20.93** |
| Additions on scheme of arrangement | - | - | 0.08 | 0.20 | 0.28 |
| Additions | 0.05 | - | - | - | 0.05 |
| Deductions | - | - | - | - | - |
| **As at September 30, 2020** | **7.90** | **2.57** | **0.08** | **10.71** | **21.27** |
| **Depreciation and Impairment** | | | | | |
| **As at April 1, 2017** | **3.53** | **1.63** | **-** | **5.46** | **10.62** |
| Depreciation for the Period | 1.84 | 0.27 | - | 1.43 | 3.55 |
| Deductions | 0.00 | 0.00 | - | 0.01 | 0.01 |
| **As at March 31, 2018** | **5.37** | **1.90** | **-** | **6.88** | **14.16** |
| Depreciation for the year | 1.29 | 0.30 | - | 1.79 | 3.38 |
| Deductions | (0.00) | (0.00) | - | (0.00) | (0.00) |
| **As at March 31, 2019** | **6.66** | **2.21** | **-** | **8.67** | **17.54** |
| Depreciation for the year | 0.59 | 0.14 | - | 0.88 | 1.61 |
| Deductions | - | - | - | - | - |
| **As at March 31, 2020** | **7.25** | **2.34** | **-** | **9.56** | **19.15** |
| Addition on scheme of arrangement | - | - | 0.03 | 0.14 | 0.17 |
| Depreciation for the year | 0.17 | 0.05 | 0.01 | 0.11 | 0.34 |
| Deductions | - | - | - | - | - |
| **As at September 30, 2020** | **7.41** | **2.40** | **0.03** | **9.81** | **19.65** |
| **Net Block** | | | | | |
| **As at September 30, 2020** | **0.49** | **0.18** | **0.05** | **0.90** | **1.61** |
| **As at March 31, 2020** | **0.61** | **0.23** | **-** | **0.95** | **1.78** |
| **As at March 31, 2019** | **1.19** | **0.37** | **-** | **1.75** | **3.31** |
| **As at March 31, 2018** | **2.62** | **0.76** | **-** | **3.14** | **6.51** |

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

**Note 4 : Other intangible assets, as restated**

*(Amounts in Rs million )*

| Particulars | Computer Software | Intangible Asset | Total |
|---|---|---|---|
| **Cost** | | | |
| **As at March 31, 2017** | **-** | **1.50** | **1.50** |
| Additions | 4.50 | - | 4.50 |
| Inter Transfers | - | - | - |
| **As at March 31, 2018** | **4.50** | **1.50** | **6.00** |
| Additions | - | - | - |
| Capitalized | - | - | - |
| **As at March 31, 2019** | **4.50** | **1.50** | **6.00** |
| Additions | - | - | - |
| Capitalized | - | - | - |
| **As at March 31, 2020** | **4.50** | **1.50** | **6.00** |
| Additions | - | - | - |
| Additions on scheme of arrangement | - | 169.88 | 169.88 |
| Capitalized | - | - | - |
| **As at September 30, 2020** | **4.50** | **171.38** | **175.88** |
| **Amortisation and Impairment** | | | |
| **As at March 31, 2017** | **-** | **1.03** | **1.03** |
| Amortisation for the Period | 1.50 | 0.12 | 1.62 |
| Deductions | - | - | - |
| **As at March 31, 2018** | **1.50** | **1.15** | **2.65** |
| Amortisation for the Year | 0.90 | 0.18 | 1.08 |
| Deductions | - | - | - |
| **As at March 31, 2019** | **2.40** | **1.33** | **3.73** |
| Amortisation for the Year | 0.90 | 0.08 | 0.98 |
| Deductions | - | - | - |
| **As at March 31, 2020** | **3.30** | **1.41** | **4.71** |
| Amortisation on scheme of arrangement | - | 119.01 | 119.01 |
| Amortisation for the Year | 0.45 | 12.75 | 13.20 |
| Deductions | - | - | - |
| **As at September 30, 2020** | **3.75** | **133.16** | **136.91** |
| **Net Block** | | | |
| **As at September 30, 2020** | **0.75** | **38.22** | **38.97** |
| **As at March 31, 2020** | **1.20** | **0.09** | **1.29** |
| **As at March 31, 2019** | **2.10** | **0.17** | **2.27** |
| **As at March 31, 2018** | **3.00** | **0.34** | **3.34** |

DRC SYSTEMS INDIA LIMITED

**Note 5 : Financial assets, as restated**

**5 Investments, as restated** *(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Investment in equity shares** | | | | |
| **Unquoted** | | | | |
| GESIA IT Association<br>10 ( 31 March 2019 : 10) equity shares | 0.00 | 0.00 | 0.00 | 0.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Investments** | **0.00** | **0.00** | **0.00** | **0.00** |
| Aggregate amount of unquoted investments | 0.00 | 0.00 | 0.00 | 0.00 |
| Aggregate amount of impairment in value of investments | - | - | - | |

**5 Trade receivables, as restated** *(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Trade receivables** | | | | |
| Trade receivables considered good - Unsecured | 37.80 | 36.55 | 94.85 | 69.43 |
| **Total Trade and other receivables** | **37.80** | **36.55** | **94.85** | **69.43** |

**5 Cash and cash equivalent, as restated** *(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| Balance with Bank | | | | |
| Current accounts | 4.07 | 5.15 | 7.32 | 26.26 |
| Bank deposits maturing within 3 months from reporting date | - | - | 0.40 | 0.39 |
| Cash on hand | 0.11 | 0.11 | 0.09 | 0.03 |
| **Total cash and cash equivalents** | **4.18** | **5.26** | **7.82** | **26.68** |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| Balance with Bank | | | | |
| Current accounts | 4.07 | 5.15 | 7.32 | 26.26 |
| Bank deposits maturing within 3 months from reporting date | - | - | 0.40 | 0.39 |
| Cheques on hand | - | | | |
| Cash on hand | 0.11 | 0.11 | 0.09 | 0.03 |
| | **4.18** | **5.26** | **7.82** | **26.68** |
| | **4.18** | **5.26** | **7.82** | **26.68** |

DRC SYSTEMS INDIA LIMITED

**5 Other financial assets, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Current** | | | | |
| Security deposits | 1.39 | 1.36 | 1.56 | 2.52 |
| Unbilled revenue | 0.09 | - | 4.48 | - |
| Bank deposits maturing within 12 months from reporting date | 0.39 | 0.39 | - | - |
| Interest accrued but not due on bank deposits | - | - | 0.01 | 0.01 |
| Interest accrued but not due on Other deposits | - | 0.02 | - | |
| | **1.87** | **1.77** | **6.05** | **2.53** |
| **Total other financial assets** | **1.87** | **1.77** | **6.05** | **2.53** |

**Note 6 : Other current / non-current assets, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Current** | | | | |
| Advance to Employee | 0.01 | 0.01 | 0.01 | 0.02 |
| Balance with government authorities | 9.71 | 2.57 | - | 1.46 |
| Advances to suppliers | 0.57 | 0.18 | 0.06 | 0.09 |
| Export incentive receivable | - | - | 4.12 | 6.76 |
| Prepaid expenses | 0.27 | 0.05 | 0.25 | 0.37 |
| Other Current Asset | - | 0.00 | 1.63 | - |
| | **10.56** | **2.82** | **6.05** | **8.70** |
| **Total** | **10.56** | **2.82** | **6.05** | **8.70** |

**Note 7 : Income tax assets, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| Tax paid in advance (net of provison) | 0.65 | 0.27 | 1.19 | 4.04 |
| **Total** | **0.65** | **0.27** | **1.19** | **4.04** |

**Note 8 : Equity share capital, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | | As at March 31, 2020 | | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|---|---|---|
| | No. of shares | Indian Rupees in million | No. of shares | Indian Rupees in million | No. of shares | Indian Rupees in million | No. of shares | Indian Rupees in million |
| **Authorised share capital** | | | | | | | | |
| Equity shares of Rs.10 each | 30,00,000 | 30.00 | 30,00,000 | 30.00 | 30,00,000 | 30.00 | 30,00,000 | 30.00 |
| **Issued and subscribed share capital** | | | | | | | | |
| Equity shares of Rs.10 each | 22,50,000 | 22.50 | 22,50,000 | 22.50 | 13,50,000 | 13.50 | 13,50,000 | 13.50 |
| **Subscribed and fully paid up** | | | | | | | | |
| Equity shares of Rs.10 each (of which 9,00,000 equity shares were issued during FY-2019-20 as Bonus Shares) | 22,50,000 | 22.50 | 22,50,000 | 22.50 | 13,50,000 | 13.50 | 13,50,000 | 13.50 |
| **Total** | **22,50,000** | **22.50** | **22,50,000** | **22.50** | **13,50,000** | **13.50** | **13,50,000** | **13.50** |

**8.1. Terms/Rights attached to the equity shares**

The Company has equity shares having a par value of Rs 10 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share.

On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held

**8.2. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period**

| Particulars | As at September 30, 2020 | | As at March 31, 2020 | | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|---|---|---|
| | No. of shares | Indian Rupees in million | No. of shares | Indian Rupees in million | No. of shares | Indian Rupees in million | No. of shares | Indian Rupees in million |
| At the beginning of the year | 22,50,000 | 22.50 | 13,50,000 | 13.50 | 13,50,000 | 13.50 | 13,50,000 | 13.50 |
| Add : | | | | | | | | |
| Shares issued as bonus to the exisitng shareholders | - | - | 9,00,000 | 9.00 | - | - | | |
| Outstanding at the end of the year | 22,50,000 | 22.50 | 22,50,000 | 22.50 | 13,50,000 | 13.50 | 13,50,000 | 13.50 |

**8.3. Number of Shares held by each shareholder holding more than 5% Shares in the company**

| Name of the Shareholder | As at September 30, 2020 | | As at March 31, 2020 | | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|---|---|---|
| | No. of shares | % of shareholding | No. of shares | % of shareholding | No. of shares | % of shareholding | No. of shares | % of shareholding |
| Shivben Popatbhai Sutariya | **4,50,000** | 20.00% | **4,50,000** | 20.00% | **2,70,000** | 20.00% | **2,70,000** | 20.00% |
| NSI Infinium Global Pvt. Ltd. | - | 0.00% | - | 0.00% | - | 0.00% | **6,88,500** | 51.00% |
| Infibeam Avenues Limited | **11,47,500** | 51.00% | **11,47,500** | 51.00% | **6,88,500** | 51.00% | - | 0.00% |
| Yogesh Sutariya | **4,50,000** | 20.00% | **4,50,000** | 20.00% | **2,70,000** | 20.00% | **2,70,000** | 20.00% |
| Kirit Gajera | **1,12,500** | 5.00% | **1,12,500** | 5.00% | **67,500** | 5.00% | **67,500** | 5.00% |

DRC SYSTEMS INDIA LIMITED

**Note 9 : Other Equity, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Capital reserve** | | | | |
| Opening balance | - | - | - | - |
| Add: Addition on Scheme of Arrangement | 37.12 | - | - | - |
| Less: Shares required to be issued as per Scheme of Arrangement | 16.15 | - | - | - |
| Balance at the end of the year | 20.96 | - | - | - |
| **Issue of Shares on Scheme of Arrangement** | | | | |
| Opening balance | - | - | - | - |
| Shares required to be issued as per Scheme of Arrangement | 16.15 | - | - | - |
| Balance at the end of the year | **16.15** | - | - | - |
| **(Deficit) in the statement of profit and loss** | | | | |
| Balance as per last financial statements | 1.47 | 9.84 | 8.92 | 6.56 |
| Add: profit for the year | (6.86) | 0.11 | (0.00) | 3.15 |
| Add / (Less): OCI for the year | - | 0.52 | 0.92 | (0.79) |
| | **(5.39)** | **10.47** | **9.84** | **8.92** |
| Less : Issue of Bonus Shares | - | (9.00) | - | |
| Balance at the end of the year | **(5.39)** | **1.47** | **9.84** | **8.92** |
| **Total Other equity** | **31.72** | **1.47** | **9.84** | **8.92** |

**Note: 10 Trade payable, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Current** | | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 14.03 | 13.62 | 10.29 | 5.90 |
| | 14.03 | 13.62 | 10.29 | 5.90 |
| **Total** | **14.03** | **13.62** | **10.29** | **5.90** |

**10 Other financial liabilities, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Current** | | | | |
| Employee benefits payable | 6.55 | 4.73 | 5.96 | 6.13 |
| Creditor for expenses | 0.02 | 0.04 | 36.47 | 0.70 |
| Book overdraft | 0.36 | - | - | - |
| Payable to holding company for reimbursement of expenses (net) | - | - | - | 18.74 |
| Other financial liabilities | 1.09 | 0.83 | 0.83 | 1.75 |
| | 8.01 | 5.59 | 43.26 | 27.32 |
| **Total** | **8.01** | **5.59** | **43.26** | **27.32** |

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

**Note 11 : Provisions, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Long-term** | | | | |
| **Provision for employee benefits** | | | | |
| Provision for gratuity | 4.07 | 3.74 | 3.49 | 3.04 |
| | **4.07** | **3.74** | **3.49** | **3.04** |
| **Short-term** | | | | |
| **Provision for employee benefits** | | | | |
| Provision for gratuity | 0.94 | 0.94 | 0.55 | 0.65 |
| | **0.94** | **0.94** | **0.55** | **0.65** |
| **Total** | **5.00** | **4.68** | **4.04** | **3.69** |

**Note 12 : Other current / Non-current liabilities, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Non-current** | | | | |
| Security deposit | - | - | - | 38.10 |
| | - | - | - | **38.10** |
| **Current** | | | | |
| | | - | - | - |
| Security deposit | - | - | - | 21.55 |
| Statutory liabilities- Others | 1.21 | 3.50 | 11.92 | 1.51 |
| Advance from customers | 0.98 | - | - | 1.22 |
| Provision for expenses | 0.44 | 0.40 | 0.48 | 1.12 |
| | - | | | |
| Other liabilities | 15.30 | - | 30.30 | 0.18 |
| | **17.93** | **3.90** | **42.69** | **25.57** |
| **Total** | **17.93** | **3.90** | **42.69** | **63.67** |

**Note 13 : Revenue from operations, as restated**

*(Amounts in Rs million )*

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|
| Sale of services | 94.19 | 108.67 | 129.84 | 89.37 |
| **Operating income** | | | | |
| Export incentives | - | - | - | 6.76 |
| **Total** | **94.19** | **108.67** | **129.84** | **96.13** |

**Note 14 : Other income, as restated**

*(Amounts in Rs million )*

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|
| Net foreign exchange Gain | - | 6.87 | 1.95 | 0.24 |
| Interest Income | 0.08 | 0.22 | 0.20 | 26.19 |
| Miscellaneous Income | - | 0.50 | 0.64 | 0.00 |
| No Longer Payable | 0.98 | - | 0.05 | - |
| **Total** | **1.06** | **7.59** | **2.85** | **26.43** |

**Note 15 : Employee benefits expense, as restated**

*(Amounts in Rs million )*

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|
| Salaries and wages | 34.38 | 66.99 | 83.82 | 80.70 |
| Contribution to provident and other funds | 0.09 | 1.24 | 0.18 | 1.59 |
| Employee stock option scheme | 3.61 | 8.79 | 29.61 | 18.74 |
| Staff welfare expenses | 0.00 | 0.11 | 0.49 | 0.77 |
| **Total** | **38.07** | **77.13** | **114.10** | **101.80** |

**Note 16 : Finance costs, as restated**

*(Amounts in Rs million )*

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|
| Interest expense | 0.08 | 1.04 | 2.27 | 0.91 |
| Interest expense - on statutory dues | 0.14 | 0.02 | 0.02 | 0.01 |
| Other finance cost | - | - | 0.01 | - |
| **Total** | **0.22** | **1.06** | **2.31** | **0.92** |

DRC SYSTEMS INDIA LIMITED

**Note 17 : Depreciation and amortization expense, as restated**

*(Amounts in Rs million )*

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|
| Depreciation on Tangible assets (Refer Note 3) | 0.34 | 1.61 | 3.38 | 3.54 |
| Amortization on Intangible assets (Refer Note 4) | 13.20 | 0.98 | 1.08 | 1.62 |
| **Total** | **13.53** | **2.58** | **4.46** | **5.16** |

**Note 18 : Other expenses, as restated**

*(Amounts in Rs million )*

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|
| Bank charges | 0.01 | 0.01 | 0.04 | 0.02 |
| Techincal & Consultancy expenses | - | 0.04 | 0.00 | - |
| Software expeses | 0.16 | 1.82 | 1.07 | 0.23 |
| Communication expenses | 0.07 | 0.47 | 0.98 | 1.12 |
| Commission expenses | 0.03 | 0.30 | 0.32 | 0.34 |
| Legal and consultancy expenses | 1.19 | 1.49 | 0.55 | 0.83 |
| Office expenses | 0.11 | 0.07 | 0.05 | 0.24 |
| Payments to auditors | - | 0.14 | 0.18 | 0.13 |
| Rent | 2.26 | 4.51 | 5.16 | 4.05 |
| Rate and taxes | 0.00 | 2.69 | 0.02 | 0.26 |
| Sales Promotion Expenses | - | 17.51 | 0.03 | 0.81 |
| Bad Debts | - | 0.10 | - | 0.16 |
| Balances Written off | - | 4.16 | - | - |
| Electricity expenses | 0.22 | 0.62 | 0.62 | 1.17 |
| Printing & Stationery Expenses | -0.02 | 0.03 | 0.11 | 0.23 |
| Traveling expenses | - | 0.27 | 0.95 | 0.58 |
| Repair & Maintainace Expenses | 0.01 | 0.00 | - | 0.04 |
| Computer Expenses | - | 0.14 | 0.31 | 0.21 |
| Labour Charges | - | - | - | 0.16 |
| Security expenses | 0.06 | 0.27 | 0.36 | 0.11 |
| Subscription expenses | 0.15 | 0.19 | 0.35 | 0.19 |
| Net foreign exchange loss | 0.96 | - | | |
| Miscellaneous expenses | - | 0.00 | 0.05 | 0.29 |
| **Total** | **5.20** | **34.85** | **11.16** | **11.15** |

DRC SYSTEMS INDIA LIMITED

DRC SYSTEMS INDIA LIMITED
*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

**Note 19 : Contingent liabilities, as restated**

*(Amounts in Rs million )*

| Particulars | As at September 30,2020 | As at March 31,2020 | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|---|
| **Contingent liabilities not provided for** | | | | |
| a. Claims against Company not acknowledged as debts | - | - | - | - |
| b. Guarantees given by bank on behalf of the Company | - | - | - | - |

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**

*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

**Note 20 : Accounting and Other Ratios, as restated**

***(Amounts in Rs million, except number of shares )***

| Particulars | Unit | As at September 30,2020 | As at March 31,2020 | As at March 31,2019 | As at March 31,2018 |
|---|---|---|---|---|---|
| Profit After Tax | Rs in Million | (6.86) | 0.11 | (0.00) | 3.15 |
| | | | | | |
| Number of equity shares at end | Number | 22,50,000 | 22,50,000 | 13,50,000 | 13,50,000 |
| Face value Rs 10 | | | | | |
| Number of equity shares(Weighted Average) | Number | 22,50,000 | 18,51,639 | 13,50,000 | 13,50,000 |
| Number of equity shares(Weighted Average) after giving effect of scheme | Number | 38,65,356 | 18,51,639 | 13,50,000 | 13,50,000 |
| | | | | | |
| Net worth | Rs in Million | 54.22 | 23.97 | 23.34 | 22.42 |
| | | | | | |
| **Ratios** | | | | | |
| Earnings per share | Rs | 1.80 | 0.34 | (0.0002) | 2.33 |
| Diluted earnings per share | Rs | 1.80 | 0.34 | (0.0002) | 2.33 |
| | | | | | |
| Earnings per share (After effect of scheme) | Rs | (1.78) | 0.34 | (0.0002) | 2.33 |
| Diluted earnings per share (After effect of scheme) | Rs | (1.78) | 0.34 | (0.0002) | 2.33 |
| | | | | | |
| Return on Net worth | % | (12.66) | 0.47 | (0.001) | 14.04 |
| NAV per share | Rs | 12.45 | 12.95 | 17.29 | 16.61 |
| NAV per share (after giving effect of scheme) | | 8.61 | 12.95 | 17.29 | 16.61 |

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**
(Formerly known as DRC Systems India Limited)
Notes to the Financial Statements
**Note 21 : Related Party disclosures, as restated**

**Related Party disclosures for period ended September 30,2020**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

**Name of Related Parties and Nature of Relationship :**

| Sr.No | Relationship | Name of company/person |
|---|---|---|
| 1 | Erstwhile Holding Company | Infibeam Avenues Limited (till 31.03.2020) (Refer Note below) |
| 2 | Company having significant influenace | Infibeam Avenues Limited (from 01.04.2020) (Refer Note Below) |
| 3 | Key Management Personnel | Hiten Barcha |

Note: In view of the scheme of arrangement approved by the honourable National Company Law Tribunal, Infibeam Avenues Limited is no longer the holding company of DRC Systems Limited effective from 01.04.2020. However, in view of major shareholder having significant influence, the transactions with Infibeam Avenues Limited are reported herewith.

**Related party transactions** (Rs in Million)

| Particulars | Year ending | Key Management Personnel | Company having significant influenace | Total |
|---|---|---|---|---|
| **Salary to KMP** | 30-09-2020 | 1.70 | | 1.70 |
| **Service Taken** | | | | |
| Infibeam Avenues Limited | 30-09-2020 | - | 48.87 | 48.87 |
| **Reimbursement of Expenses From - Other Expenses** | | | | |
| Infibeam Avenues Limited | 30-09-2020 | - | 0.03 | 0.03 |
| **Reimbursement of ESOP Expense** | | | | |
| Infibeam Avenues Limited | 30-09-2020 | - | 3.61 | 3.61 |
| **Interest Expenses** | | | | |
| Infibeam Avenues Limited | 30-09-2020 | - | 0.08 | 0.08 |
| **Loan Taken** | | | | - |
| Infibeam Avenues Limited | 30-09-2020 | - | 10.66 | 10.66 |
| **Repayment of Loan Taken** | | | | |
| Infibeam Avenues Limited | 30-09-2020 | - | 10.66 | 10.66 |
| **Closing Balance** | | | | |
| **Trade Payable** | | | | |
| Infibeam Avenues Limited | 30-09-2020 | - | 14.02 | 14.02 |
| **Provision for expenses** | | | | |
| Infibeam Avenues Limited | 30-09-2020 | - | 0.08 | 0.08 |

**Terms and conditions of transactions with related parties**

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
There have been no guarantees provided or received for any related party receivables or payables.

**Commitments with related parties**
The Company has not provided any commitment to the related party as at September 30, 2020

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**
*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

**Related Party disclosures for year ended March 31,2020**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

**Name of Related Parties and Nature of Relationship :**

| Sr.No | Relationship | Name of company/person |
|---|---|---|
| 1 | **Holding Company** | Infibeam Avenues Limited (from 13-02-2019) |
| | | NSI Infinium Global Ltd (Formerly known as NSI Infinium Global Pvt Ltd) ( up to 12-02-2019) |
| 2 | **Ultimate Holding Company** | Infibeam Avenues Limited (upto 12-02-2019) |
| 3 | **Fellow Subsidiary** | Infibeam Logistics Private Limited |
| | | NSI Infinium Global Ltd (Formerly known as NSI Infinium Global Pvt Ltd) ( from 13-02-2019 to 28-02-2019) |
| | | Odigma Consultancy Solutions Private Limited |
| 4 | **Associate Company** | NSI Infinium Global Ltd (Formerly known as NSI Infinium Global Pvt Ltd) ( from 01-03-2019) |
| 5 | **Key Management Personnel** | Malav A. Mehta |
| | | Vishal A. Mehta |
| 6 | **Company under the control of Key Managerial Personnel** | Infinium Automall Private Limited |
| | | Infinium Motors Private Limited |

*(Amounts in Rs million )*

**Related party transactions**

| Particulars | Year ending | Ultimate Holding company | Holding company | Fellow Subsidiary | Associate company | Total |
|---|---|---|---|---|---|---|
| **Service Taken** | | | | | | |
| Infibeam Avenues Limited | 31-03-2020 | - | 22.01 | - | - | 22.01 |
| **Reimbursement of Expenses From - Other Expenses** | | | | | | |
| NSI Infinium Global Limited | 31-03-2020 | - | - | - | 11.33 | 11.33 |
| Infibeam Avenues Limited | 31-03-2020 | - | 0.38 | - | - | 0.38 |
| **Reimbursement of ESOP Expense** | | | | | | |
| Infibeam Avenues Limited | 31-03-2020 | - | 8.79 | - | - | 8.79 |
| **Interest Expenses** | | | | | | |
| NSI Infinium Global Limited | 31-03-2020 | - | - | - | 0.79 | 0.79 |
| Infibeam Avenues Limited | 31-03-2020 | - | 0.25 | - | - | 0.25 |
| **Loan Taken** | | | | | | |
| Infibeam Avenues Limited | 31-03-2020 | - | 18.95 | - | - | 18.95 |
| NSI Infinium Global Limited | 31-03-2020 | - | - | - | 2.70 | 2.70 |
| **Repayment of Loan Taken** | | | | | | |
| Infibeam Avenues Limited | 31-03-2020 | - | 18.95 | - | - | 18.95 |
| NSI Infinium Global Limited | 31-03-2020 | - | - | - | 33.00 | 33.00 |
| **Closing Balance** | | | | | | |
| **Trade Payable** | | | | | | |
| Infibeam Avenues Limited | 31-03-2020 | - | 13.40 | - | - | 13.40 |

**Terms and conditions of transactions with related parties**

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
There have been no guarantees provided or received for any related party receivables or payables.

**Commitments with related parties**
The Company has not provided any commitment to the related party as at March 31, 2020

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**
*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

**Related Party disclosures for year ended March 31,2019**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

**Name of Related Parties and Nature of Relationship :**

| Sr.No | Relationship | Name of company/person |
|---|---|---|
| 1 | Holding company | NSI Infinium Global Private Limited (upto 12-02-2019) |
| | | Infibeam Avenues Limited (from 12-02-19) |
| 2 | Ultimate Holding company | Infibeam Avenues Limited (upto 12-02-19) |
| 3 | Fellow Subsidiary Company | Infibeam Logistics Private Limited |
| | | NSI Infinium Global Private Limited (From 13-02-2019 to 28-02-2019) |
| | | Odigma Consultancy Solutions Private Limited |
| 4 | **Company under the control of Key Managerial Personnel** | Infinium Automall Private Limited |
| | | Infinium Motors Private Limited |

**Related party transactions**

*(Amounts in Rs million )*

| Particulars | Period ending | Ultimate Holding company | Holding company | Fellow Subsidiary | Total |
|---|---|---|---|---|---|
| **Purchase of Other Goods / Computer Expenses** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2019 | | 0.00 | | 0.00 |
| **Security Deposit Taken** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2019 | | 8.75 | | 8.75 |
| **Service Taken** | | | | | |
| Infibeam Incorporartion Limited | 31-03-2019 | 4.51 | | | 4.51 |
| **Sale of Fixed Assets** | | | | | |
| Odigma Consultancy Solutions Private Limited | 31-03-2019 | | | 0.23 | 0.23 |
| **Reimbursement of Expenses From - Other Expenses** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2019 | | | 0.05 | 0.05 |
| **Interest Expenses** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2019 | | 2.03 | | 2.03 |
| **Reimbursement of Expenses From - ESOP Expenses** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2019 | | 22.22 | | 22.22 |
| **Repayment of Security Deposit Taken** | | | | | |
| Infibeam Avenues Limited | 31-03-2019 | 38.10 | | | 38.10 |
| **Closing Balance** | | | | | |
| **Trade Payable** | | | | | |
| Infibeam Avenues Limited | 31-03-2019 | 4.88 | | | 4.88 |
| Infibeam Logistics Private Limited | 31-03-2019 | | | 4.86 | 4.86 |
| **Recievable for Fixed Assets** | | | | | |
| Odigma Consultancy Solutions Private | 31-03-2019 | - | | 0.27 | 0.27 |

**Terms and conditions of transactions with related parties**

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
There have been no guarantees provided or received for any related party receivables or payables.

**Commitments with related parties**
The Company has not provided any commitment to the related party as at March 31, 2019

DRC SYSTEMS INDIA LIMITED

**DRC SYSTEMS INDIA LIMITED**
*(Formerly known as DRC Systems India Private Limited)*

Notes to the Financial Statements

**Related Party disclosures for year ended March 31,2018**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

**Name of Related Parties and Nature of Relationship :**

| Sr.No | Relationship | Name of company/person |
|---|---|---|
| 1 | Holding company | NSI Infinium Global Private Limited |
| 2 | Ultimate Holding company | Infibeam Incorporation Limited |
| 3 | Fellow Subsidiary Company | Infibeam Logistics Private Limited |
| | | Infibeam Digital Entertainment Private Limited |

## Related party transactions

*(Amounts in Rs million )*

| Particulars | Period ending | Ultimate Holding company | Holding company | Fellow Subsidiary | Total |
|---|---|---|---|---|---|
| **Purchase of Other Goods / Computer Expenses** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 0.33 | | 0.33 |
| **Purchase of Goods - Staff Welfare** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 0.19 | | 0.19 |
| **Security Deposit** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 19.52 | | 19.52 |
| **Service Taken** | | | | | |
| Infibeam Incorporartion Limited | 31-03-2018 | 2.63 | | | 2.63 |
| Infibeam Digital Entertainment Private Limited | 31-03-2018 | | | 0.43 | 0.43 |
| Infibeam Logistics Private Limited | 31-03-2018 | | | 4.50 | 4.50 |
| **Reimbursement of Expenses From - Other Expenses** | | | | | |
| Infibeam Incorporation Limited | 31-03-2018 | 0.07 | | | 0.07 |
| **Interest paid on security deposit** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 0.91 | | 0.91 |
| **Reimbursement of Expenses From - ESOP Expenses** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 18.74 | | 18.74 |
| **Repayment of Security Deposit Taken** | | | | | |
| Infibeam Incorporation Limited | 31-03-2018 | 261.90 | | | 261.90 |
| **Closing Balance** | | | | | |
| **Trade Payable** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 0.15 | | 0.15 |
| Infibeam Digital Entertainment Private Limited | 31-03-2018 | | | 0.55 | 0.55 |
| Infibeam Logistics Private Limited | 31-03-2018 | | | 4.86 | 4.86 |
| **Security Deposit** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 21.55 | | 21.55 |
| **Payable for Reimbursement** | | | | | |
| NSI Infinium Global Private Limited | 31-03-2018 | | 18.74 | | 18.74 |
| **Security Deposit Taken** | | | | | |
| Infibeam Incorporation Limited | 31-03-2018 | 38.10 | | | 38.10 |

**Terms and conditions of transactions with related parties**
1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.There have been no guarantees provided or received for any related party receivables or payables.

**Commitments with related parties**
The Company has not provided any commitment to the related party as at March 31, 2018

DRC SYSTEMS INDIA LIMITED

***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

*The following discussion of our financial condition and results of operations should be read in conjunction with our standalone Financial Statements as of and for the years ended March 31, 2018, 2019, 2020 and for the six months ended September 30, 2020 prepared in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in "Financial Statements" as mentioned in this Information Memorandum Unless otherwise stated, the financial information used in this section is derived from our Financial Statements.*

*Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Information Memorandum, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Information Memorandum, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors"* mentioned in this *Information Memorandum.*

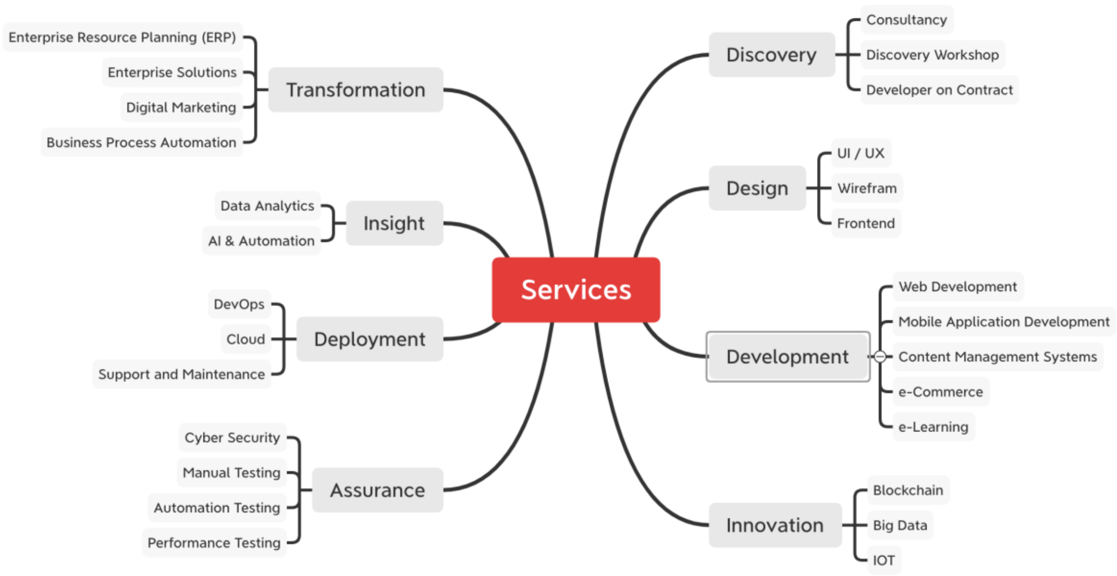
*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" is a reference to DRC Systems India Limited on a standalone basis and a reference to the "Company" is a reference to DRC Systems India Limited on a standalone basis.*

**Business Overview:**

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

PRODUCTS AND SERVICES

We offer wide range of products and services based on open sources and proprietary technologies as under:




***Below are tools, technologies, frameworks and platforms used to render above services:***

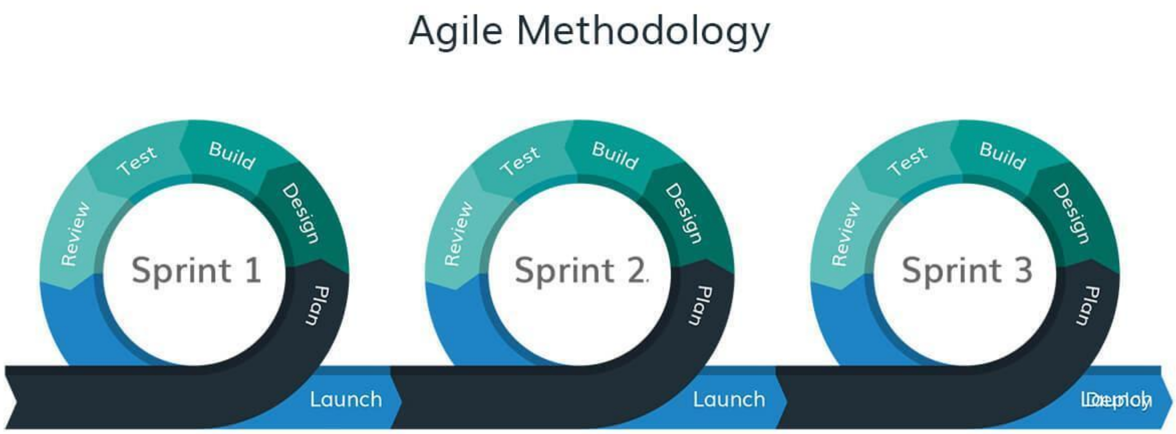
**Frontend Technologies:** Angular, React, Ember, HTML5, Bootstrap, JQuery
**Database Systems:** MySQL, PostgreSQL, MariaDB, MS SQL, MongoDB, InfluxDB, Prometheus
**Backend / Scripting:** Java, Python, .Net, PHP, Ruby, Node
**Frameworks:** Spring, Struts, Django, Flask, .Net Core, Laravel, Yii, Rails, Express, Hadoop
**Content Management Systems:** WordPress, TYPO3, Drupal, Umbraco, Contao, Silverstripe
**e-Commerce:** Magento, Shopify, nopCommerce, WooCommerce, OpenCart, Prestashop, Oxid, Shopware, Buildabazaar
**e-Learning:** Open edX, Moodle and Custom platforms
**Mobile Apps:** Android, iOS
**Cross-Platform Technologies:** Ionic, Flutter, Electron

***Process Flow:***

Information technology industry has been completely revolutionized by the use of Agile methodologies. At DRC systems we follow Agile as a project management methodology that consists of small development cycles, or “sprints”, to keep the focus on bringing continuous improvement in a product or service.

A sprint is a predetermined time frame during which the team is supposed to complete a particular task. Each sprint usually ends with a review where the team reviews their performance and discusses ways to improve the work. Agile practices focus more on bringing flexibility with constant updates throughout the process.

Through Agile iterative development, bigger projects are broken down into smaller chunks and continuous tests are done in repetitive cycles. Through this practice, Agile teams get a perspective on new features that need to be added to the final product or service and contribute towards more flexible product development.




Our Working practice for our implementation of our Project is :

- Iterative Development
- Daily Meetings with team
- Using Professional Tools like GitLab.
- Scrum Project Management (Agile Framework)

**Key strengths**

Experienced and Qualified Senior Management Team:

Our Promoters and senior management team have significant experience in the Industry in which Company operates, which enables us to identify suitable Business Growth. We have a professional and experienced management team.

- Describe Directors with Experience
- Our Documentation and Internal Procedures
- Our Potential to identify new Business Avenues
- Our Innovation solution finding approach in techsavvy World
- Understanding of the IT services sector and evolving needs of the consumers
- Excellent track record of forming beneficial relationships and long-term customer relationships
- Diverse range of services
- Geographical spread, our customer base is spread across globe with major concentration in Europe, USA, Middle East and Asia
- Our entrepreneur led and professionally managed, experienced team
- Organizational Excellence

**Details of Employees**

AS on the date of this Information Memorandum, Our Company has more than 100 permanent employees.

**Our Competitors**

Monopoly has no existence in today’s cut-throat Competitive world. Alike other Business Segments, our Industry have many players, whom we compete.

**Insurance**

We maintain standard insurance policies for our assets and our employees. As of December 01, 2020, our material policies included: (i) employees' medical policy; (ii) burglary and theft floater policy; (iii) standard fire and special perils policy; (v) group health floater policy; and (vi) group personal accident policy (vi) Money Insurance policy. Notwithstanding our insurance coverage, disruptions to our operations could nevertheless have a material adverse effect on our business, results of operations and financial condition to the extent our insurance policies do not cover our economic loss resulting from such damage.

**Properties Owned by the Company / Assets owned**

Apart from Furnitures / fixtures and IT Systems, the Company does not own any Property in its name.

**Lease / rent**

The Registered property of the Company is on a leasehold vide agreement dated December 2, 2020

**Our Intellectual Property**

Our Company owns the trademark for our brand name and logo "DRC Systems" in various classes.

**Internal Control**

The internal control systems are commensurate with the size, scale and complexity of the operations of the Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company has continued its efforts to align all its processes and controls with best practices.

The Audit Committee of the Board of Directors, comprising of Independent Directors reviews the effectiveness of the internal control system across the Company including annual plan significant audit findings, adequacy of internal controls and compliance with accounting, policies and regulations.

**Corporate social responsibility**

We do not have any CSR Policy or Committee, as the Company does not fall within purview of Section 135 of the Act.

(Currency: Indian Rupees)

**Company Overview and Significant Accounting Policies**

**Company overview**

For FY 19-20 and Period ended September 30,2020
DRC Systems India Limited *(formerly known as DRC Systems India Private Limited)* ('the Company') was incorporated on April 27, 2012 under the Companies Act, 1956. The Company is a service company and its principal activities comprise of software development, information technology consulting services and recruitment related services.

For FY 17-18 to FY 18-19
DRC Systems India Private Limited ('the Company') was incorporated on April 27, 2012 under the Companies Act, 1956. The Company is a service company and its principal activities comprise of software development, information technology consulting services and recruitment related services.

Basis of preparation of financial statements

For FY 17-18 to Period ended September 30,2020
These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind - AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

**Critical accounting estimates**

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

**Estimates and Assumptions**
For FY 17-18 to Period ended September 30,2020

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

**Defined Benefit Plans**
For FY 17-18 to Period ended September 30,2020

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. Discount rate has been determined by reference to market yields on the government bonds as at the balance sheet date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

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

**Taxes**

For FY 17-18 to Period ended September 30,2020

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

**Intangible asset including intangible asset under development**

For FY 17-18 to Period ended September 30,2020

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use. Research and maintenance costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 2.5 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 4.

**Property, plant and equipment**

For FY 17-18 to Period ended September 30,2020

Refer Note 2.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3.

**Revenue recognition**

For FY 17-18

Revenue from the services rendered is recognized proportionally over the period in which the services are rendered as per the rates and terms agreed with the customer.

For FY 18-19 to Period ended September 30,2020

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

**Summary of Significant Accounting Policies**

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

**Current versus non-current classification**

For FY 17-18 to Period ended September 30,2020

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

An asset is treated as current when it is:
Expected to be realised or intended to be sold or consumed in the normal operating cycle;
Held primarily for the purpose of trading;

Expected to be realised within twelve months after the reporting period; or
Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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

**Transactions and balances**

For FY 17-18 to Period ended September 30,2020
Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition.

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

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

**Fair value measurement**

For FY 17-18 to Period ended September 30,2020

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
Significant accounting judgements, estimates and assumptions
Quantitative disclosures of fair value measurement hierarchy
Financial instruments (including those carried at amortised cost)

**Property, plant and equipment**
For FY 17-18 to Period ended September 30,2020

The Company has elected to continue with the carrying value for all of its property, plant and equipment's assets as recognised in its previous GAAP financial as deemed cost at the transition date, i.e., 1 April 2015.

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

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

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as follows:
Plant and equipment - 5 to 10 years
Furniture & Fixtures - 10 years
Computer & Peripherals - 3 to 6 years

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

**Intangible Assets**
For FY 17-18 to Period ended September 30,2020

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

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

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

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

**Amortisation**
Period of Amortisation of Intangibles is calculated as follows:

Internally generated /Acquired Computer Software – 3 to 5 years

**Intangible assets under development**

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

**Leases**
For FY 17-18 to Period ended September 30,2020

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating leases are deferred and charged to the statement of profit and loss over the lease term.

**Impairment of non-financial assets**
For FY 17-18 to Period ended September 30,2020

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

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

**Borrowing cost**
For FY 17-18 to Period ended September 30,2020

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

**Revenue Recognition**

For FY 17-18

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of services
Revenue from the services rendered is recognized proportionally over the period in which the services are rendered as per the rates and terms agreed between parties and when no significant uncertainty exists regarding the recoverability of amount of the consideration from rendering the service.

For FY 18-19 to Period ended September 30,2020

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

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

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

Revenue from related parties is recognised based on transaction price which is at arm's length.

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

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

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

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

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

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

Refer note 32(d) for impact on adoption of Ind AS 115.

**Interest income**

For FY 17-18 to Period ended September 30,2020
For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

**Export incentives**
For FY 17-18 to Period ended September 30,2020
Export incentives are accounted on accrual basis based on services rendered.

**Financial instruments – initial recognition and subsequent measurement**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**
For FY 17-18 to Period ended September 30,2020

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

**Subsequent measurement**
For purposes of subsequent measurement, financial assets are classified in four categories:
Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)
Equity instruments measured at fair value through statement of profit and loss (FVTPL)

**Debt instruments at amortised cost**:

A debt instrument is measured at amortised cost if both the following conditions are met:
the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Debt instruments at fair value through other comprehensive income (FVTOCI)**
A debt instrument is measured at fair value through other comprehensive income if both of the following criteria are met:
the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
the asset's contractual cash flows represent SPPI.

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

**Debt instruments at fair value through profit or loss (FVTPL)**
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

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

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

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

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

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

The rights to receive cash flows from the asset have expired, or
The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the

Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

**Impairment of financial assets**
The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**Financial Liabilities**
For FY 17-18 to Period ended September 30,2020
**Initial recognition and measurement**
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent measurement of financial liabilities**
The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Loans and Borrowings**
After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Derecognition of financial liabilities**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**
For FY 17-18 to Period ended September 30,2020
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Cash and cash equivalent**
For FY 17-18 to Period ended September 30,2020

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company’s cash management.

**Taxes**
For FY 17-18 to Period ended September 30,2020

Tax expense comprises of current income tax and deferred tax.

**Current income tax**
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company does not recognizes tax credits in the nature of MAT credit as an asset since there is no convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the future year in which the Company recognizes tax credits as an asset, the said asset will be created by way of tax credit to the Statement of profit and loss.

**Retirement and other employee benefits**
For FY 17-18 to Period ended September 30,2020
**Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

**Post-Employment Benefits**
**Defined Benefit Plan**
Gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet reduced by the fair value of any plan assets. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
The date of the plan amendment or curtailment, and
The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:
Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
Net interest expense or income

The Company has not invested in any fund for meeting liability.

**Employee stock option schemes**
For FY 17-18 to FY 18-19
The Employees Stock Option Scheme (‘the Scheme’) provides for grant of equity shares of Infibeam Avenues Limited (the holding company) to employees of the Company. The scheme provides that employees are granted an option to subscribe to equity share of the holding company that vest in a graded manner. The options may be exercised within specified period. The holding company follows the fair value method to account for its stock-based employee compensation plans. The expense recognised in the Statement of profit and loss for a period represents the cost charged by the holding company net of cost recovered from fellow subsidiaries on proportionate basis.

For FY 18-19 to Period ended September 30,2020
The Employees Stock Option Scheme (‘the Scheme’) provides for grant of equity shares of Infibeam Avenues Limited (*formerly known as Infibeam Incorporation Limited*) (the holding company) to employees of the Company. The scheme provides that employees are granted an option to subscribe to equity share of the holding company that vest in a graded manner. The options may be exercised within specified period. The holding company follows the fair value method to account for its stock-based employee compensation plans. The expense recognised in the Statement of profit and loss for a period represents the cost charged by the holding company net of cost recovered from fellow subsidiaries on proportionate basis.

**Earnings per share**
For FY 17-18 to Period ended September 30,2020

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**Segment reporting**

For FY 17-18 to Period ended September 30,2020

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**Provisions**

For FY 17-18 to Period ended September 30,2020

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingencies**

Provision in respect of contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

**Contingent liabilities and contingent assets:**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

For FY 17-18

**First-time adoption of Ind-AS**

These financial statements of DRC Systems India Private Limited for the year ended 31 March 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Group has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with March 31, 2017 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the Company's financial statements for the year ended 31 March 2018 and the comparative information.

Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets

Accordingly, the Company has elected to measure all of its intangible assets at their previous GAAP carrying value.

**For FY 18-19**

**Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

**Ind AS 116 – Leases**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application, or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The effect of this amendment on the financial statements of the Company is being evaluated.

**Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

• Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and

• Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

Further, the amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19, plan amendment, curtailment or settlement:**

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

• To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Company does not expect this amendment to have any impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Company does not expect any impact from this amendment.

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Company does not expect any impact from this amendment.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

**For FY 19-20**

**Changes in accounting policies and disclosures**
**New and amended Standards**

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the financial statements of the Company.

**Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

These amendments have no impact on the standalone financial statements of the Company.

**Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

Whether an entity considers uncertain tax treatments separately
The assumptions an entity makes about the examination of tax treatments by taxation authorities

How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example; (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

**Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the standalone financial statements of the Company.

**Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

**Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company is in compliance with the said amendment.

**Annual Improvements to Ind AS 2018**

**Ind AS 103 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the standalone financial statements of the Company as there is no transaction where joint control is obtained.

**Ind AS 111 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the standalone financial statements of the company as there is no transaction where a joint control is obtained.

**Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company’s current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

**Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company’s current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company

**Standards issued but not yet effective**

For FY 17-18

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The effect of this amendment on the financial statements of the Company is being evaluated.

For FY 19-20 to Period ended September 30,2020

There are no standards that are issued but not yet effective on March 31, 2020.

**Principal Components of Income and Expenditure**

***Income***
Our income consists of revenue from operations and other income.

***Revenue from Operations*** Revenue from operations include: ***Sale of Services***
Sale of service include mainly IT services and Consultancy service. They further can be bifurcated into Software development, Web Development, Mobile Application Development and ERP implementations.

***Other Income***
Other income includes primarily interest income, any write back off liabilities, miscellaneous income, and any foreign exchange fluctuation gains.

***Expenses***
Our total expenses include:

*Employee Benefit Expenses*
Employee benefit expenses include salaries and wages, including any ESOP expenses (net of cross charged or capitalised towards software development and related intangible assets), provident and other employee benefit payments and staff welfare expenses. Employee benefit expenses is adjusted for any salary cost capitalised towards software development and related intangible assets.

*Finance Costs*

Finance costs incurred by us include bank charges, interest expenses on unsecured borrowings, statutory dues and interest expenses and foreign exchange fluctuation losses, if any.

*Depreciation/ Amortization and Impairment*

Depreciation on fixed assets are stated at cost of acquisition or construction less depreciation/ amortisation and impairment losses, if any, and relate primarily to movable assets, including computer terminals and peripherals and other hardware such as servers.

Similarly, intangible assets primarily reflect software applications that are either acquired or are internally generated. Acquired intangible assets are stated at cost less accumulated amortisation and impairment losses, while internally generated intangibles are carried at cost incurred to generate such asset, including research activities, development activities, and related software development expenditure. Development expenditure is capitalised only if development costs can be measured reliably, the product or process if technically and commercially feasible, future economic benefits are probable, and we intend to and have sufficient resources to complete the development and use of such asset. Internally generated goodwill is not recognised as an asset.
For further information on our depreciation, amortisation and impairment policies, see "*Management's discussion and analysis of financial condition and results of operations*" as mentioned in this *Information Memorandum*,

*Other Expenses*

Other expenses include Software expenses, Technical and Consultancy, Legal & Consultancy, rental expenses, rates and taxes, insurance, travelling and conveyance, electricity, commission expenses, sales promotion, printing & stationery, communication and security etc.

***Taxation***

Income tax expenses for the year comprises of current tax and deferred tax. Income tax expense for the year comprises of current tax and deferred tax.

**Results of Operations**

The following table sets forth certain information based on our financial statements for fiscal 2018, 2019, 2020, and for the six months ended September 30, 2020:

| Particulars | Period ended | | Year ended | | Year ended | | Year ended | |
|---|---|---|---|---|---|---|---|---|
| | Sept 30, 2020 | % | Mar 31, 2020 | % | Mar 31, 2019 | % | Mar 31, 2018 | % |
| | INR Mn | | INR Mn | | INR Mn | | INR Mn | |
| **Income** | | | | | | | | |
| Revenue from operations | 94.19 | 99% | 108.67 | 93% | 129.84 | 98% | 96.13 | 78% |
| Other income | 1.06 | 1% | 7.59 | 7% | 2.85 | 2% | 26.43 | 22% |
| | | | | | | | | |
| **Total income (I)** | **95.25** | **100%** | **116.26** | **100%** | **132.69** | **100%** | **122.57** | **100%** |
| **Expenses** | | | | | | | | |
| Cost of services | 46.61 | 49% | - | 0% | - | 0% | - | 0% |
| Employee benefits expense | 38.07 | 40% | 77.13 | 66% | 114.10 | 86% | 101.80 | 83% |
| Finance costs | 0.22 | 0% | 1.06 | 1% | 2.31 | 2% | 0.92 | 1% |
| Depreciation and amortisation expense | 13.53 | 14% | 2.58 | 2% | 4.46 | 3% | 5.16 | 4% |
| Other expenses | 5.20 | 5% | 34.85 | 30% | 11.16 | 8% | 11.15 | 9% |
| | | | | | | | | |
| **Total expenses (II)** | **103.64** | **109%** | **115.62** | **99%** | **132.02** | **100%** | **119.03** | **97%** |
| | | | | | | | | |
| **Profit before tax (III) = (I-II)** | **-8.39** | **-9%** | **0.64** | **1%** | **0.66** | **0%** | **3.53** | **3%** |
| | | | | | | | | |
| **Tax expense** | | | | | | | | |
| Current tax | - | 0% | 0.49 | 0% | 0.97 | 1% | 1.69 | 1% |
| Deferred tax | -1.53 | -2% | 0.03 | 0% | -0.30 | 0% | -1.31 | -1% |
| **Total tax expense (IV)** | **-1.53** | **-2%** | **0.52** | **0%** | **0.66** | **0%** | **0.38** | **0%** |
| | | | | | | | | |
| **Profit for the year (V) = (III-IV)** | **-6.86** | **-7%** | **0.11** | **0%** | **-0.0002** | **0%** | **3.15** | **3%** |

**Six months ended September 30, 2020**

***Income***

Total revenue was ₹ 95.25 million in the six months ended September 30, 2020, compared to ₹116.26 million in fiscal 2020.

*Revenue from Operations*

In the six months ended September 30, 2020, revenue from operations was ₹94.19 million, primarily consisting of sale of services relating to IT Services and Consulting services. In fiscal 2020, revenue from operations was ₹108.67 million comprising revenue from sale of services which includes revenue from software development, Web development, Mobile Application development and ERP Implementation and other ancillary services.

*Other Income*

In the six months ended September 30, 2020 other income was ₹1.06 million and remained relatively lower compared to other income in fiscal 2020 of ₹7.59 million. In the six months ended September 30, 2020, other income included interest income from banks of ₹0.08 million and ₹0.98 million write back of liabilities no longer required. While Other income for fiscal year 2020 included mainly Net foreign exchange gain of ₹.87 million, miscellaneous income of ₹0.50 million and interest income of ₹0.22 million.

***Expenditure***

In the six months ended September 30, 2020, total expenditure was ₹103.64 million as against total income of ₹ 95.25 million, while in fiscal 2020, total expenditure was ₹115.62 million, representing 99% of our total income in fiscal 2020.

*Employee Benefit Expenses*

Employee benefits expenses was ₹38.07 million in the six months ended September 30, 2020, compared to ₹77.13 million in fiscal 2020. The salaries and wages remined almost same in terms of value in Sept 20 compared to Fiscal year 2020. Employees benefits expenses includes Salary and wages ₹34.38 million, employee stock option (ESOP) expenses ₹3.61 million, contribution to provident and other funds & staff welfare expenses of ₹0.09 million.

*Finance Costs*

Finance costs was ₹0.22 million in the six months ended September 30, 2020, which is low compared to ₹1.06 million in fiscal 2020. Interest on statutory dues was ₹0.14 million while interest on operational finance was ₹0.08 million in the six months ended September 30, 2020.

*Depreciation / Amortization and Impairment*

Depreciation / amortization and impairment expenses were ₹13.53 million in the six months ended September 30, 2020, compared to ₹2.58 million in fiscal 2020. The relative increase in depreciation expenses in the six months ended September 30, 2020 resulted primarily from addition in intangible assets on scheme of arrangement.

*Other Expenses*

Other expenses were ₹5.2 million in the six months ended September 30, 2020, while it was ₹34.85 million in fiscal 2020. In the six months ended September 30, 2020. Other expenses were substantially low in the six months ended Sept 20 compared to fiscal year 2020 in view of absence of sales promotion expenses in Sept 20 as against ₹17.51 million in fiscal 2020. Over and above, it includes Rent ₹2.26 million, legal and consultancy of ₹1.19 million, net foreign exchange loss of ₹0.96 million and electricity expense of ₹0.22 million among other expenses. The overall increase in six months ended Sept 2020 is due to expenses relating to demerger process and related legal, professional and stamp duty expenses.

***Profit/(Loss) Before Tax***

Due to the reasons discussed above, loss before tax in the six months ended September 30, 2020 was ₹ 8.39 million. In fiscal 2020, we had earned profit before taxes of ₹0.64 million.

***Tax Expense***

In the six months ended September 30, 2020, there were no current tax expenses. However, the deferred tax amount was ₹ -1.53 million

***Loss for the Period***

For the various reasons discussed above, loss for the period was ₹6.86 million in the six months ended September 30, 2020.

**Fiscal 2020 compared to Fiscal 2019**

***Income***

Total revenue decreased by 12.38% from ₹132.69 million in fiscal 2019 to ₹116.26 million in fiscal 2020 reflecting the decrease in both IT Services and Consultancy services turnover.

*Revenue from Operations*
Revenue from operations decreased by 16.3% from ₹129.84 million in fiscal 2019 to ₹108.67 million in fiscal 2020.

Sale of services decreased from ₹129.84 million in fiscal 2019 to ₹108.67 million in fiscal 2020, mainly due to negative impact of COVID-19 in the last quarter and downward trend in the revenues relating to mobile application development and part of the resources occupied in internal projects.

*Other Income*
Other income increased by 166.32% from ₹2.85 million in fiscal 2019 to ₹7.59 million in fiscal 2020. This was primarily on account of net foreign exchange gain of ₹6.87 million in fiscal 2020 compared to ₹1.95 million in fiscal 2019. There was also miscellaneous income of ₹0.64 million in fiscal 2019 compared to ₹0.50 million in fiscal 2020. Interest income remained almost same and the write back of liabilities no longer required was ₹0.05 million in fiscal 2019 compared to ₹ Nil million in fiscal 2020.

***Expenditure***
Total expenditure decreased by 12.42% from ₹132.02 million in fiscal 2019 to ₹115.62 million in fiscal 2020 primarily reflecting decrease in employee benefits expenses, depreciation and amortization expenses and finance costs which offset a increase in other expense. Total expenditure represented 100% and 99% of our total income in fiscal 2019 and 2020, respectively.

*Employee Benefit Expenses*
Employee benefit expenses decreased substantially by 32.4% from ₹114.1 million in fiscal 2019 to ₹77.13 million in fiscal 2020. Salaries and wages (including employee stock option expenses) decreased by 33.19% from ₹113.43 million in fiscal 2019 to ₹75.78 million in fiscal 2020. Contribution to provident and other funds was ₹1.24 million in fiscal 2020 compared to ₹0.18 million in fiscal 2019, while staff welfare expenses was ₹0.11 million in fiscal 2020 compared to ₹0.49 million in fiscal 2019. The overall decrease in cost was mainly due to optimization of resources post acquisition by Infibeam Avenues Limited and up to some extent the market effect on our industry.
*Finance Costs*

Finance costs decreased by 54.11% from ₹2.31 million in fiscal 2019 to ₹1.06 million in fiscal 2020, primarily due to decrease in interest on loans and interest on statutory dues. Interest on loans decreased by 54.25% from ₹2.27 million in fiscal 2019 to ₹1.04 million in fiscal 2020, while interest on statutory dues also decreased marginally in fiscal 2020 compared to fiscal 2019.
*Depreciation / Amortization and Impairment*

Depreciation / amortization and impairment expenses decreased by 42.15% from ₹4.46 million in fiscal 2019 to ₹2.58 million primarily on account of the old assets being written off or amortized over a period of time as against marginal addition in the assets.
*Other Expenses*

Other expenses increased by 212.28% from ₹11.16 million in fiscal 2019 to ₹34.85 million in fiscal 2020 primarily due to sales promotion, software expenses, rates and taxes and balances written-off of old periods. Sales promotion expenses increased from ₹0.03 million in fiscal 2019 to ₹17.51 million in fiscal 2020, while software expenses increased by 70% from ₹1.07 million in fiscal 2019 to ₹1.82 million in fiscal 2020. Rates and taxes increased by ₹2.67 million from ₹0.02 million in fiscal 2019 to ₹2.69 million in fiscal 2020, while legal and consultancy expenses increased by 171% from ₹0.55 million in fiscal 2019 to ₹1.49 million in fiscal 2020. Old balances of debtors and related bad debts were written off to the tune of ₹4.16 million in fiscal 2020 as against no such write off in fiscal 2019. One of the reasons for the overall increase in fiscal 2020 is expenses relating to demerger process and related legal, professional and stamp duty expenses.

***Profit Before Tax***

For the reasons discussed above, profit before taxes remained almost stable from ₹0.66 million in fiscal 2019 to ₹0.64 million in fiscal 2020.

***Tax Expense***

Tax expenses in fiscal 2020 comprised current tax of ₹0.49 million and deferred tax of ₹0.03 million while in fiscal 2019 it comprised of current tax of ₹0.97 million and deferred tax of ₹-0.3 million.

***Profit for the Year***

For the reasons discussed above, profit for the year remained flat from ₹0.00 million in fiscal 2019 to ₹0.11 million in fiscal 2020.

**Fiscal 2019 compared to Fiscal 2018**

***Income***

Total revenue increased by 8.26% from ₹122.57 million in fiscal 2018 to ₹132.69 million in fiscal 2019 reflecting the increase in services turnover.

*Revenue from Operations*

Revenue from operations increased by 35.07% from ₹96.13million in fiscal 2018 to ₹129.84 million in fiscal 2019.

The increase in operational revenues is mainly in view of new customers of government and enterprise during the year. Similarly, we have also optimized the hourly rate which ultimately reflected in additional revenue.

*Other Income*

Other income decreased from ₹26.43 million in fiscal 2018 to ₹2.85 million in fiscal 2019. This was primarily on account of interest income of ₹26.19 million in fiscal 2018 compared to ₹0.20 million in fiscal 2019. As against this, the net foreign exchange gain and miscellaneous income have increased from ₹ 0.24 million and ₹ .001 million in fiscal 2018 to ₹ 1.95 million and ₹ 0.64 million in fiscal 2019 respectively.

***Expenditure***

Total expenditure increased by 10.91% from ₹119.03 million in fiscal 2018 to ₹132.02 million in fiscal 2019 primarily reflecting an increase in employee benefits and finance cost which offset a decrease in depreciation and amortization costs. Total expenditure represented 97% and 100% of our total income in fiscal 2018 and 2019, respectively.

*Employee Benefit Expenses*

Employee benefit expenses increased by 12.08% from ₹101.8 million in fiscal 2018 to ₹114.1 million in fiscal 2019 primarily due to an increase in the employee stock option scheme. Salaries and wages increased by 3.87% from ₹80.70 million in fiscal 2018 to ₹83.82 million in fiscal 2019.

*Finance Costs*

Finance costs increased by 151.09% from ₹0.92 million in fiscal 2018 to ₹2.31 million in fiscal 2019 primarily due to increase in interest on loans, which increased by 150.06% from ₹0.91 million in fiscal 2018 to ₹2.27 million in fiscal 2019. Similarly, there is marginal increase in interest on statutory dues in fiscal 2019 compared to fiscal 2018.

*Depreciation / Amortization and Impairment*

Depreciation / amortization and impairment expenses decreased by 13.57% from ₹5.16 million in fiscal 2018 to ₹4.46 million in fiscal 2019 primarily on account of the reduction of few tangible assets and increase in useful life of software from 3 years to 5 years post internal review and validation by technology team.

*Other Expenses*

Other expenses remained flat from ₹11.15 million in fiscal 2018 to ₹11.16 million in fiscal 2019 primarily due to increases in software expenses, rent, travelling, security and subscription expenses and corresponding decrease in communication, legal & consultancy rates and taxes, sales promotion, electricity and printing & stationery expenses. Software expenses increased by 368% from ₹0.23 million to ₹1.07 million while rent expenses increased by 27% from ₹ 4.05 million to ₹ 5.16 million. Similarly travelling and security expenses increased by 64% and 235% in fiscal 2019 compared to 2018. These increases were however offset by decreases in communication expenses decreased by 13% from ₹1.12 million to ₹0.98 million, electricity expenses by 47% from ₹1.17 million to ₹0.62 million, legal and consultancy by 33% from ₹0.83 million to ₹0.55 million and office expenses by 78% from ₹ 0.24 million to ₹ 0.05 million respectively.

***Profit Before Tax***

For the reasons discussed above, profit before taxes decreased from ₹3.53 million in fiscal 2018 to ₹0.66 million in fiscal 2019.

***Tax Expense***

Tax expenses in fiscal 2018 comprised current tax of ₹1.69 million and deferred tax of ₹-1.31 million while in fiscal 2019 it comprised of current tax of ₹0.97 million and deferred tax of ₹-0.30 million.

***Loss for the Year***

For the reasons discussed above, profit for the year decreased from ₹3.15 million in fiscal 2018 to ₹0.00 million in fiscal 2019.

**Liquidity and Capital Resources**

Historically, our primary liquidity requirements have been to finance our capital expenditure in relation to working capital needs and other capital expenditures. To fund these requirements we have relied on short-term and long-term borrowings and cash flows from operations.

We believe that our anticipated cash flows from operations, together with the net proceeds of this Issue, our existing cash and certain additional future borrowings will be sufficient to meet our working capital and capital expenditure requirements over the next 12 months.

The following table sets forth cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

*(₹ in million)*

| **Particulars** | **Fiscal** | | | **Six months ended September 30, 2020** |
|---|---|---|---|---|
| | **2018** | **2019** | **2020** | |
| **Net cash used in operating activities** | 6.18 | (18.89) | (2.70) | (5.11) |
| **Net cash from/ (used in) investing activities** | 19.48 | 0.03 | 0.14 | 0.04 |
| **Net cash from/ (used in) financing activities** | - | - | - | - |
| **Net increase in cash and cash equivalents** | 25.65 | (18.86) | (2.56) | (5.07) |

***Operating Activities***

Net cash used in operating activities in the six months ended September 30, 2020 was ₹ -5.11 million, however loss before tax after exceptional item was ₹ 8.39 million. This was primarily attributable to working capital adjustments for decrease in current and non-current assets of ₹ 7.85 million, decrease in other current and non-current liabilities and provisions of ₹ 5.76 million., which offset adjustments for depreciation and amortisation of ₹ 13.53 million and ESOP expenses of ₹3.61 million.

Net cash used in operating activities in fiscal 2020 was ₹ -2.70 million, however profit before tax after exceptional item was ₹ 0.64 million. This was primarily attributable to working capital adjustments for increase in trade receivables of ₹ 58.20 million, increase in trade payables of ₹ 3.33 million, increase in other current and non-current assets of ₹ 3.36 million as well as adjustments for ESOP expenses of ₹ 8.79 million, balances written off no longer payable ₹ 4.16 million and depreciation and amortization of ₹ 2.58 million. These were offset in part by working capital adjustment for decrease in other current and non-current liabilities of ₹ 84.08 million as well as adjustment for interest income of ₹ 0.22 million.

Net cash used in operating activities in fiscal 2019 was ₹ -18.89 million, however loss before tax after exceptional item was ₹ 0.66 million. This was primarily attributable to working capital adjustments for decrease in trade receivables of ₹ 25.42 million, decrease in other current and non-current liabilities and provisions of ₹ 33.39 million and decrease in other current and non-current assets of ₹ 1.19 million, offset in part by increase in trade payables of ₹ 4.39 million, ESOP expenses of ₹ 29.61 million and depreciation and amortization of ₹ 4.46 million.

Net cash used in operating activities in fiscal 2018 was ₹ 6.18 million, however profit before tax after exceptional item was ₹ 3.53 million. This was primarily attributable to working capital adjustments for decrease in other current and non-current liabilities and provisions of ₹ 235.76 million and decrease in trade receivables of ₹ 51.85 million and adjustment of Interest income of ₹ 26.19 million which was offset in part by increase in other current and non-current assets of ₹ 291.43 million, increase in trade payables of ₹ 2.96 million and adjustments of ESOP expense of ₹ 18.74 million and depreciation and amortization of ₹ 5.16 million.

***Investing Activities***

Net cash from investing activities in the six months ended September 30, 2020 was ₹ 0.03 million, primarily reflecting purchase or development of fixed assets (including capital work-in-progress, intangible assets under development and capital advances) of ₹ 0.05 million and interest received of ₹ 0.08 million.

Net cash used in investing activities in fiscal 2020 was ₹ 0.14 million, primarily reflecting purchase or development of fixed assets (including capital work-in-progress, intangible assets under development and capital advances) of ₹ 0.08 million and interest received of ₹ 0.22 million.

Net cash used in investing activities in fiscal 2019 was ₹ 0.03 million, primarily reflecting purchase or development of fixed assets (including capital work-in-progress, intangible assets under development and capital advances) of ₹ 0.41 million, proceeds from sale of fixed assets of ₹ 0.23 million and interest received of ₹ 0.21million.

Net cash used in investing activities in fiscal 2018 was ₹ 19.48 million, primarily reflecting purchase or construction of fixed assets (including capital work-in-progress, intangible assets under development and capital advances) of ₹ 6.79 million, interest received ₹ 26.20 million and proceeds from sale of fixed assets of ₹ 0.06 million.

***Financing Activities***

There were no transactions in this activity throughout the periods under consideration. So, it was not discussed.

**Capital Expenditure**

Capital expenditures represent the increase in the value of our fixed assets, including tangible assets such as plant & machinery, equipment, furniture and fixtures, computer and peripherals, as well as intangible assets including acquired software, computer software. Computer software represents a substantial majority of our intangible fixed assets. As of March 31, 2018, 2019, 2020 and as of September 30, 2020, gross block of tangible

assets was ₹ 20.67 million, ₹ 20.85 million, ₹ 20.93 million, and ₹ 21.27 million, respectively, while intangible assets was ₹ 6.00 million, ₹ 6.00 million, ₹ 6.00 million and ₹ 175.86 million, respectively.
For acquired intangibles, intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Costs include acquisition and other incidental cost related to acquiring the intangible asset. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and our Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of direct labour incurred to preparing the asset for its intended use. Other development expenditure is recognized in profit or loss as incurred.

Expenditure incurred on acquisition /construction of intangible fixed assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.
For further information on capitalization of intangible assets, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Accounting Policies – Intangible Fixed Assets and Intangible Assets under Development*" as mentioned in this *Information Memorandum else where.*.

**Indebtedness**
The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2020, and our repayment obligations in the periods indicated:

| | **As of September 30, 2020 (₹ in million) Payment due by period** | | | | |
|---|---|---|---|---|---|
| | **Total** | **Not later than 1 year** | **1-3 years** | **3 -5 years** | **More than 5 years** |
| **Term Loans** | | | | | |
| Secured | - | | | | |
| Unsecured | - | - | - | - | - |
| **Total term loans** | - | - | - | - | - |
| **Short Term Borrowings** | - | - | - | | |
| Secured * | - | - | - | - | - |
| Unsecured | - | - | - | - | - |
| **Total Short Term Borrowings** | - | - | - | - | - |

**Contractual Obligations and Commitments**
The following table sets forth certain information relating to future payments due under known contractual commitments as of September 30, 2015, aggregated by type of contractual obligation:

| **Particulars** | **As of September 30, 2020 Payment due by period** | | | | |
|---|---|---|---|---|---|
| | **Total** | **Less than 1 year** | **1-3 years** | **3 -5 years** | **More than 5 years** |
| | (₹ in million) | | | | |
| Capital commitments | | Nil | | - | - |

**Contingent Liabilities and Off-Balance Sheet Arrangements**
The following table sets forth certain information relating to our contingent liabilities as of September 30, 2020:

| **Particulars** | **Amount** (₹ million) |
|---|---|
| **Contingent Liabilities:** | |
| **a) Claims against our Company not acknowledged as debt:** | Nil |

**Related Party Transactions**

We enter into various transactions with related parties. Primarily these transactions include sale of service, reimbursement of expenses, purchase of assets, purchase of services, loans availed, interest expense, rent expense, etc. Our Company has noted Related Party transactions as per the Accounting Standard-18 issued by the Institute of Chartered Accountants of India. For further information relating to our related party transactions, see our Financial Statements included elsewhere in this Information Memorandum

**Audit Qualifications and Maters of Emphasis**

There were no qualifications and matters of emphasis in any of our historical audit reports.

**Segment Reporting**

While our operations pertains to IT services and consultancy services, in our Infibeam.com e-retail site and our BaB Marketplace all relate to the e-commerce industry, our statutory auditors have identified and disclosed information on segment reporting as specified in our Financial Statements of this Information Memorandum.

**Interest Service Coverage Ratio**

In case of positive EBIT, the interest service coverage ratio, which we define as earnings before interest and tax (EBIT) divided by interest cost) for fiscal 2018, fiscal 2019, fiscal 2020 were 4.84, 1.29 and 1.6 times. However in the six months ended September 30, 2020, in view of absence of positive EBIT, our interest service coverage ratio was not relevant.

**Changes in Accounting Policies**

There have been no changes in our accounting policies during the last three fiscal years.

**Quantitative and Qualitative Disclosures about Market Risk**

***Credit Risk***

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

***Exchange Rate Risk***

Changes in currency exchange rates influence our results of operations. A portion of our revenues, particularly relating to our international operations, is denominated in currencies other than Indian Rupees. A significant portion of our expenses, including cost of any other operating expenses in connection with our operations, as well as certain of our capital expenditure on hardware and software, may also be denominated in currencies other than Indian Rupees.

Depreciation of the Indian Rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into in the future or any proposed capital expenditure in foreign currencies. Appreciation of the Indian Rupee, on the other hand, may cause our services to be less competitive by raising our prices in terms of such other currencies, or alternatively require us to reduce the Indian Rupee price we charge for our services, either of which could adversely affect our profitability.

Although we may selectively enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against other relevant foreign currencies.

***Interest Rate Risk***

Interest rates for borrowings have been volatile (and quite high compared to other economies despite easing inflationary pressures) in India in recent periods. Our operations are funded to an extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

**Unusual or Infrequent Events or Transactions**

Except as described in this *Information Memorandum,* there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

**Significant Dependence on Suppliers or Customers**

Revenues from customers vary between financial reporting periods depending on the nature and term of ongoing contracts, and we do not believe we are dependent on any particular client or for a significant proportion of our revenues.

**Known Trends or Uncertainties**

Other than as described in this *Information Memorandum*, particularly in "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

**Future Relationship between Cost and Income**

Other than as described elsewhere in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

**Seasonality of Business**

Our results of operations do not generally exhibit seasonality. However, we may have variation in our financial results from financial period to financial period as a result of various factors, including those described under "*-Principal- Factors Affecting our Results of Operations and Financial Condition*" above and in "*Risk Factors*" respectively.

**Competitive Conditions**

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" as mentioned in this *Information Memorandum,* for further information.

**Significant Developments after September 30, 2020 that may affect our Future Results of Operations**

Except as stated in the "*Capital Structure*" as mentioned in this *Information Memorandum,* and otherwise in this *Information Memorandum*, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this *Information Memorandum,* which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Over and above, on the basis of internal and external sources of information up to the date, including economic forecasts and market value of certain investments etc., the company has taken into account the possible impacts if COVID -19 in preparation of the Financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on leases, impact on revenues and on cost budgets and specifically carrying amount of plant and machinery, equipment, intangible assets, investments and trade receivables etc.

Based on management's review of current indicators and economic conditions, there is no material impact on its financial results as at Sept 30, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly the impact may be different from that estimated as at the date of these financial results as at Sept 30, 2020. The Company will continue to monitor any material changes to future economic conditions.

## SECTION VII – LEGAL AND OTHER INFORMATION

### *OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS*

*Except as stated in this section, (i) there are no winding up petitions, outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company or against any other company whose outcome could have a materially adverse effect on the business, operations, cash flows or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, overdues to banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holder of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issues by our company, defaults in creation of full security as per the terms of issues/ other liabilities, proceedings initiated for economic, civil or any other offences [including past cases where penalties may or may not have been awarded and irrespective of whether they are specifies under paragraph (i) of part I of schedule XIII of the Companies Act, 1956 and under paragraph (a) of pat I of schedule V of the Companies Act, 2013] other than unclaimed liabilities of our Company except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Directors, Promotors.*

*Unless otherwise stated, all information disclosed in this section is as of the date of Information Memorandum.*

*Further, relevant clauses of Scheme of Arrangement with respect to liabilities arising from pending litigations are as below:*

*34.1 Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, of whatsoever nature (including before any statutory or quasi-judicial authority or tribunal), by or against Infibeam and relating to the Themepark & Event Software Undertaking, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against DRC after the Effective Date. Infibeam shall in no event be responsible or liable in relation to any such legal or other proceedings against DRC. DRC shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Infibeam.*

*34.2 If proceedings are taken against Infibeam in respect of the matters referred to in Clause 34.1 above, it shall defend the same in accordance with the advice of DRC and at the cost of DRC, and the latter shall reimburse and indemnify Infibeam against all liabilities and obligations incurred by Infibeam in respect thereof.*

*34.3 DRC undertakes to have all legal or other proceedings initiated by or against Infibeam referred to in Clause 34.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against DRC to the exclusion of Infibeam. Each of the Companies shall make relevant applications in that behalf.*

### A. Litigation involving our Company

#### I. ***Litigation initiated against our Company***

a) *Criminal Proceedings*

As on date of this Information Memorandum, there are no criminal proceedings against our Company

b) *Claims related to Direct and Indirect Taxes*

As on date of this Information Memorandum, there are no claim related to direct and indirect taxes against our Company.

c) *Consumer cases*

HEBUX (the "Complainant") has filed a consumer complaint (the "Complaint") against DRC Systems India Private Limited *(now known as DRC Systems India Limited)* before the Hon'ble Consumer Dispute Redressal Commission, Ahmedabad, Gujarat in relation to alleged deficiency in services and non-compliance of the Companies duties to the Complainant. Our Company filed its affidavit in reply to the Complainant stating that the Complaint suffers from mis-joinder and non-joinder of parties and thus the present Complaint cannot be decided without leading of evidence and deserves to be dismissed with cost. The Complainant has claimed the compensation of Rs. 96,51,191/-. The matter is currently pending.

*d) Other pending proceedings*

As on date of this Information Memorandum, apart from litigation in the ordinary course of business of the Company which do not have an impact on the financials of the Company, there are no civil or other proceedings against our Company.

***II. <u>Litigation initiated by our Company</u>***

*a) Criminal proceedings*

As on the date of this Information Memorandum, our Company has not initiated any criminal proceedings against any third party.

*b) Other pending proceedings*

As on the date of this Information Memorandum, our Company has not initiated any civil or other proceedings against any third party.

*c) Claims related to direct and indirect taxes*

As on date of this Information Memorandum, our Company has not initiated any proceedings related to direct or indirect taxes.

**B. Litigation involving our Promoters**

**I. Litigation initiated against our Promoters**

*a) Criminal proceedings*

As on the date of this Information Memorandum, there are no criminal proceedings against our Promoters

*b) Pending action by statutory or regulatory authorities against our Promoters and disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 3 Financial Years*

As on date of this Information Memorandum, there are no statutory or regulatory proceedings against our Promoters

*c) Claims related to direct and indirect taxes*

As on date of this Information Memorandum, there are no direct or indirect tax proceedings against our Promoters.

*d) Other pending proceedings*

As on date of this Information Memorandum, there are no civil or other proceedings against our Promoters.

**II. Litigation initiated by our Promoters**

*a) Criminal proceedings*

As on the date of this Information Memorandum, there are no criminal proceedings initiated by our Promoters.

b) *Other pending proceedings*

As on date of this Information Memorandum, there are no civil or other proceedings initiated by our Promoters.

**C. Litigation involving our Directors**

**I. Litigation initiated against our Directors**

a) *Criminal proceedings*

As on the date of this Information Memorandum, there are no criminal proceedings against our Directors

b) *Actions by statutory or regulatory authorities*

As on date of this Information Memorandum, there are no statutory or regulatory proceedings against our Directors

c) *Claims related to direct and indirect taxes*

As on date of this Information Memorandum, there are no direct or indirect tax proceedings against our Directors.

d) *Other pending proceedings*

As on date of this Information Memorandum, there are no civil or other proceedings against our Directors.

**II. Litigation initiated by our Directors**

a) *Criminal proceedings*

As on the date of this Information Memorandum, there are no criminal proceedings initiated by our Directors.

b) *Other pending proceedings*

As on date of this Information Memorandum, there are no civil or other proceedings initiated by our Directors.

**D. Notices involving our Company**

**I. Notice received by our Company**

As on date of this Information Memorandum, there are no notices received by our Company.

**II. Notice sent by our Company**

As on date of this Information Memorandum, there are no notices sent by our Company.

**E. Notices involving our Promoters**

**I. Notice received by our Promoters**

As on date of this Information Memorandum, there are no notices received by our Promoters.

**II. Notice sent by our Promoters**

As on date of this Information Memorandum, there are no notices sent by our Promoters.

**F. Notices involving our Directors**

**I. Notice received by our Directors**

As on date of this Information Memorandum, there are no notices received by our Directors.

**II. Notice sent by our Directors**

As on date of this Information Memorandum, there are no notices sent by our Directors

## *GOVERNMENT AND OTHER STATUTORY APPROVALS*

*Pursuant to the Scheme becoming effective (i.e. December 02, 2020) with effect from the Appointed date and in terms of provisions of the Scheme,* all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature pertaining to Demerged Undertaking to which Demerged Company is a party and is subsisting or having effect as on the Effective Date, shall upon coming into effect of the Scheme, shall remain in full force and effect against or in favor of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if instead of the Demerged Company, the Resulting Company had been a party thereto or beneficiary or obligee thereto or thereunder. All consents, agreements, permissions, all statutory or regulatory licences, contractual licenses, certificates availed by or executed in favor of Demerged Company and which *are* pertaining to the Demerged Undertaking or any instrument of whatsoever nature including various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to Demerged Undertaking granted by any Governmental and Registration Authorities or by any other person and enjoyed or availed by the Demerged Company shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favor of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company. Insofar as the various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to the Demerged Undertaking granted by any Governmental or Registration Authorities or by any other person, or availed by the Demerged Company are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

### Material Licenses and Approvals

### A. Corporate Approvals

Certificate of Incorporation was originally issued to our Company on April 27, 2012 and a fresh certificate of Incorporation dated December 23, 2019 was issued to our Company pursuant to conversion of Private Limited into a Public Limited Company.

### B.

PAN AAECD2241D
TAN AHMD06753F
GST 24AAECD2241D1ZC
PF: GJAHD0058290000

### C. Other Approvals

Our Company may be required to obtain various approvals and licenses under various laws, rules and regulations in order to carry on the business in India.

## *REGULATORY AND STATUTORY DISCLOSURES*

### Authority for the Issue

The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated November 27, 2020 has approved the Scheme of Arrangement between Infibeam Avenues Limited and Suvidhaa Infoserve Limited and DRC Systems India Limited and NSI Infinium Global Limited with their respective shareholders and creditors inter-alia involving demerger of the Demerged Undertaking, i.e Themepark & Event Software Undertaking and transfer and vesting, as a going concern, to DRC Systems India Limited. (Resulting Company) under sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

For more details relating to the Scheme, please refer to section titled "Scheme of Arrangement" on page 69 of this Information Memorandum. The equity shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of the criteria of BSE and NSE and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of application by our Company seeking listing.

### Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter II and III of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable; However, SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR, as amended. Our Company has submitted this Information Memorandum along with application for relaxation from the strict enforcement of Rule 19 (2) (b) of SCRR, containing information about itself, making disclosure in line with the disclosure requirement for public issues as applicable to BSE and NSE for making the said Information Memorandum available to public through websites viz. www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its website www.drcsystems.com. Our Company will publish an advertisement in the newspapers containing details as per the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

### Prohibition by SEBI

The Company, its directors, its promoter and promoter group, other companies promoted by the promoter and companies with which the Company's directors are associated as director have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Further, none of the directors of the Company are associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the directors of tile Company are associated.

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and Promoter Group are in compliance with above stated Beneficial Ownership Rules.

### Fugitive Economic Offences

None of our Promoters or Directors are declared Fugitive Economic Offender under Section 12 of the Fugutive Economic Offenders Act, 2018.

### Disclaimer Clause – BSE

As required, a copy of Draft Scheme was submitted to BSE, BSE vide its letter dated July 10, 2020 granted its observation on the scheme under regulation 37 of the SEBI (LODR) 2015 and by virtue of that approval, the BSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Securities of the Company are proposed to be listed.

**Disclaimer Clause – NSE**

As required, a copy of Draft Scheme was submitted to NSE, NSE vide its letter dated July 13, 2020 granted its observation on the scheme under regulation 37 of the SEBI (LODR) 2015 and by virtue of that approval, the BSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Securities of the Company are proposed to be listed.

**General Disclaimer from the Company**

The Company accepts no responsibility for the statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, or any other material issued by or at the instance of the Company. Anyone placing reliance on any other source of Information would be doing so at his / her own risk. All information shall be made available by the Company to the Public and the investors at large and no selective or additional information would be available for a section of the Investors in any manner.

**Jurisdiction**

Exclusive Jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Ahmedabad, India.

**Filing**

Copy of this Information Memorandum has been filed with BSE and NSE.

**Listing**

Application have been made to BSE and NSE for permission for listing and trading in and for an official quotation of tile Equity Shares of the Company. The Company has nominated BSE Limited as the Designated Stock Exchange for the aforesaid listing of shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above within such period as approved by SEBI.

**Demat Credit**

The Company has executed tri-partite agreements with CDSL and NSDL dated December 22, 2018 and December 4, 2020 respectively, for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE03RS01019. Shares have been allotted and credited to the demat accounts of those shareholders who were holding shares in Infibeam Avenues Limited as on the Record date i.e December 11, 2020.The demat shares have been credited to the demat accounts of the shareholders by CDSL and NSDL on January 01, 2021 and January 02, 2021 respectively.

**Dispatch of share certificates**

Pursuant to the Scheme, the Company has issued and allotted Equity shares to eligible shareholders of Infibeam Avenues Limited on the Record Date i.e., December 11, 2020 in demat form, to those shareholders holding shares of respective Companies in demat form as on Record Date. As per the Companies (Prospectus and Allotment of Securities) (Third Amendment) Rules, 2018, the company is required to issue securities in dematerialized form only.

In respect of those shareholders who were holding shares in Infibeam in Physical form as on the Record Date December 11, 2020, the equity shares have been credited in 1202890001815891 Suspense Account maintained with CDSL on January 06, 2020. These shareholders have to open a demat account and inform Company/RTA details thereof and shares will be credited to their demat accounts respectively. We further confirm / undertake that as soon as the physical shareholders of Infibeam dematerialize his/her physical shares, we shall immediately credit the eligible shares of our Company into Demat account of such physical shareholders out of suspense account as mentioned above.

**Consent**

Our Company has obtained consent from our Directors, Statutory Auditor and Registrar & Share Transfer Agent.

**Expert Opinion**

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

**Previous Public or Rights Issue.**

The Company has not made any Public or Rights issue since its Incorporation.

**Capital Issue in last 3 years**

Apart from allotment of 16,15,356 share pursuant to the scheme of Arrangement, the Company during the Financial Year 2019-20 has allotted 9,00,000 Equity Shares of Rs. 10/- each on September 10, 2019 pursuant to Bonus Issue of shares.

**Commission and Brokerage on previous issues**

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

**Promise Vis-a-vis Performance**

This is for the first time the Company is getting listed on the Stock Exchange.

**Outstanding Debenture or Bonds and Redeemable Preference Shares and other Instruments issued by our Company**

Our Company has no outstanding Bond or Redeemable Preference shares or other instruments except equity shares as on the date of this Information memorandum.

**Stock Market data**

Our Company not being listed on any of the exchanges, this Information Memorandum is being filed for getting Equity shares of the Company listed.

**Disposal of Investor Grievances**

Link Intime India Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The

Company/RTA has set up service standards for each of the various processes involved such as effecting the transfer/dematerialization of securities/change of address ranging from 3-7 days.

Mr. Jainam Shah, Company Secretary and Compliance Officer of the Company is vested with the responsibility of addressing the Investor Grievance in coordination with RTA.

Alternatively, Shareholders can express their grievances by sending mails on ir@drcsystems.com or raise complaints in SCORES (common portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary and Compliance officer. As on the date of this Information Memorandum, Our Company has not received any investor complaints.

Name and Contact Address of Company Secretary and Compliance Officer

**Mr. Jainam Shah**
24th floor GIFT Two Building
Block No. 56, Road 5C, Zone 5
GIFT City, Gandhinagar
Gujarat- 382355
Telephone: 022 - 6777 2222
E-mail: jainam.shah@drcsystems.com
Website: www.drcsystems.com

**Change in Auditors since Incorporation**

M/s. RAJJ & CO., Chartered Accountant (Firm Reg. 132489W) were appointed as the first Statutory Auditors of our Company until the date of the first Annual General Meeting (AGM) i.e. September 27, 2013. They were further appointed as Statutory Auditors of the company with effect from September 27, 2013. The company had then, in AGM held on September 20, 2017 appointed M/s. Rajpara Associates (Firm Reg. 113428W) as Statutory Auditors to hold the office.

Except as above, there has been no change in the Statutory Auditors of our Company since its incorporation.

**Capitalization of Reserves or Profits – N.A.**

**Revaluation of Assets – N.A.**

## SECTION VIII – OTHER INFORMATION

## MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### 1. CONSTITUTION OF THE COMPANY

(a) The regulations contained in table "F" of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles.

(b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

### 2. DEFINITIONS AND INTERPRETATION

### A. Definitions

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

(a) **"Act"** means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

(b) **"Annual General Meeting"** shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

(c) **"Articles"** shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

(d) **"Auditors"** shall mean and include those persons appointed as such for the time being by the Company.

(e) **"Board"** or "Board of Directors" shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.

(f) **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

(g) **"Business Day"** shall mean a day on which scheduled commercial banks are open for normal banking business;

(h) **"Capital"** or "Share Capital" shall mean the authorized share capital of the Company.

(i) **"Chairman"** shall mean such person as is nominated or appointed in accordance with Article 35 herein below.

(j) **"Company"** or "this Company" shall mean **DRC Systems India Limited**.

(k) **"Committees"** shall have the meaning ascribed to such term in Article 66.

(l) **"Depositories Act"** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

(m) **"Director"** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.

(n) **"Dividend"** shall include interim dividends.

(o) **"Encumbrance"** shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;

(p) **"Equity Share Capital"** shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.

(q) "**Equity Shares**" shall mean fully paid-up equity shares of the Company having a par value of INR 10 (Rupees Ten) per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.

(r) "**Executo**r" or "**Administrato**r" shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

(s) "**Extraordinary General Meeting**" shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.

(t) "**Financial Year**" shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

(u) "**Law/Laws**" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

(v) "**Memorandum**" shall mean the memorandum of association of the Company, as amended from time to time.

(w) "**Office**" shall mean the registered office for the time being of the Company.

(x) "**Paid-up**" shall include the amount credited as paid up.

(y) "**Person**" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

(z) "**Register of Members**" shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act.

(aa) "**Registrar**" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

(bb) "**Rules**" shall mean the rules made under the Act and as notified from time to time.

(cc) "**Seal**" shall mean the common seal(s) for the time being of the Company, if any.

(dd) "**SEBI**" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

(ee) "**SEBI Listing Regulations**" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

(ff) "**Securities**" or "**securities**" shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

(gg) "**Shares**" or "**shares**" shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

(hh) "**Shareholder**" or "**shareholder**" or "**member**" shall mean any shareholder of the Company, from time to time.

(ii) "**Shareholders' Meeting**" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

(jj) "**Stock Exchanges**" shall mean the BSE Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities will be / are listed.

**B. Interpretation**

In these Articles (unless the context requires otherwise):

(a) References to a person shall, where the context permits, include such person's respective successors, legal heirs and permitted assigns.

(b) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(c) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.

(d) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(e) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(f) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(g) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re- enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(h) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

## 3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## 4. SHARE CAPITAL

(a) The Authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be from time to time and the Company may sub- divide, consolidate and increase the Share Capital from time to time and upon the sub-division of Shares, apportion the right to participate in profits in any manner as between the Shares resulting from the sub-division.

(b) The Company has power, from time to time, to increase or reduce its authorised or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and these Articles.

(c) The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(d) The Board may, subject to the relevant provisions of the Act and these Articles, allot and issue Shares as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly Paid-up Shares and if so issued shall be deemed as fully/partly Paid-up Shares.

(e) Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(f) Any application signed by or on behalf of an applicant for Shares in the

Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder.

(g) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

## 5. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or non- cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible preference shares liable to be converted in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

## 6. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 5 above, the following provisions shall apply:

- No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

- No such shares shall be redeemed unless they are fully paid;

- The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company’s securities premium account, before the shares are redeemed;

- Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

- The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

- The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

- Whenever the Company shall redeem any redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act.

**7. COMPANY'S LIEN :**

**A. On shares**

(a) The Company shall have a first and paramount lien :

- on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

- on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) The Company's lien, if any, on the shares, (not being a fully paid share), shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) For the purpose of enforcing such lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser.

The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares;

Provided that no sale of such shares shall be made:

- unless a sum in respect of which the lien exists is presently payable; or

- until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

  The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(d) No Shareholder shall exercise any voting right in respect of any shares or Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

(e) Subject to the Act and these Articles, the right of lien under this Article 7 shall extend to other Securities.

**8. CALLS**

(a) Subject to the provisions of Section 49 of the Act, the terms on which any shares may have been issued and allotted, the Board may, from time to time, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same.

(c) The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment hereof, or any such extension thereof, he shall be liable to pay interest on the same from the day appointed for the payment to the time of actual payment at 10 (ten) per cent per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder and the Board shall be at liberty to waive payment of such interest either wholly or in part.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid.

(i) The Company may enforce a forfeiture of shares under Article 11 below notwithstanding the following : (i) a judgment or a decree in favour of the Company for calls or other money due in respect of any share; (ii) part payment or satisfaction of any calls or money due in respect of any such judgement or decree; (iii) the receipt by the Company of a portion of any money which shall be due from any Shareholder to the Company in respect of his shares; and (iv) any indulgence granted by the Company in respect of the payment of any such money.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board may agree upon; provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on instalments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act.

(k) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

## 9. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) I. An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

II. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in Article 72(g) be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.

(f) The Board shall have power on giving not less than 7 (seven) days ‘ previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(g) Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

(h) Subject to the applicable provisions of the Act and these Articles, the

Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transfer / transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(i) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/ transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the listing requirements of the relevant Stock Exchanges on the ground that the number of shares to be transferred is less than any specified number.

(j) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder(s) recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(k) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint- holders) or his nominee(s), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 9 (a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(l) Subject to the provisions of Articles and the Act, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder;

provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

- Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to register himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a unpaid dividend account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/ or bonus shares in relation to such shares.

- In case of transfer and transmission of shares or other securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(n) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(o) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration or other similar documents.

(p) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(q) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

**10. DEMATERIALIZATION OF SECURITIES**

(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

(c) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(d) Securities in Depositories to be in fungible form :

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories & Beneficial Owners :

- Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

- Save as otherwise provided in the above point, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

- Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

- The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to Article 17(l).

(g) Register and Index of Beneficial Owners :

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(h) Cancellation of Certificates upon surrender by Person :

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(i) Service of Documents :

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(j) Transfer of Securities :

- Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

- In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(k) Allotment of Securities dealt with in a Depository :

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(l) Certificate Number and other details of Securities in Depository :

- Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(m) Provisions of Articles to apply to Shares held in Depository :

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(n) Depository to furnish information :

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(o) Option to opt out in respect of any such Security :

Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the

Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(p) Overriding effect of this Article :

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

## 11. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or instalment of a call or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of service of notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, cease to be a shareholder of the Company and notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

(l) The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

**12. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by a Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares :

(c) Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

(d) convert all or any of its fully Paid up shares into stock, and reconvert that stock into fully Paid up shares of any denomination;

(e) sub-divide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(f) cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

**13. REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act, from time to time by a Special Resolution, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

**14. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

## 15. POWER TO MODIFY RIGHTS

- Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 48 of the Act and applicable Laws, and whether or not the Company is being wound up, be varied provided the same is affected with consent in writing of the holders of not less than three-fourths of the issued shares of that class or by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.

- To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

- The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

## 16. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act

- A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

- A register of Debenture holders; and

- A register of any other security holders.

(b) The Company may keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

## 17. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of shares may be issued, if such certificate :

- is proved to have been lost or destroyed; or

- has been defaced, mutilated or torn; and is surrendered to the Company.

(c) The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.

(d) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding rupees fifty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further s pace on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

(e) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(f) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(g) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

(h) The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub- article (g) of this Article.

(i) All books referred to in sub-article (h) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(j) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(k) If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

(l) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

**18. SHARES AT THE DISPOSAL OF THE DIRECTORS**

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

(b) Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

(c) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

(d) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(e) In accordance with Section 56 and other applicable provisions of the Act and the Rules:

- Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under section 46 of the Act and the Rules framed thereunder. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. A certificate issued under the Seal of the Company, if any, or signed by two Directors or by a Director and the Secretary, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

- Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment in case of Shares and 6 (six) months from the date of allotment in case of

Debentures, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 17 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rs. 20 (Rupees 20).

- The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot. Where share certificates are issued in either more or less than marketable lots, sub-division or consolidation of share certificates into marketable lots shall be done free of charge.

- A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

**19. UNDERWRITING AND BROKERAGE**

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such reasonable brokerage as may be lawful.

**20. FURTHER ISSUE OF SHARE CAPITAL**

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(I) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:

A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

B. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in the above point shall contain a statement of this right;

C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.

(II) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(III) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (I) or Article (II) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules and such other conditions, as may be prescribed under Law.

(b) The notice referred to in sub-clause A of Article 20(a)(I) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:
Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

(d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act and the Rules.

**21. NOMINATION BY SECURITIES HOLDERS**

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and

Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

(d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

(e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

**22. NOMINATION FOR DEPOSITS**

A security holder may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

**23. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the

Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

## 24. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(I) accept or renew deposits from Shareholders;

(II) borrow money by way of issuance of Debentures;

(III) borrow money otherwise than on Debentures;

(IV) accept deposits from Shareholders either in advance of calls or otherwise; and

(V) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future. and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country.

(e) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(f) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

**25. SHARE WARRANTS**

(a) Share warrants may be issued as per the provisions of applicable Law.

(b) Power to issue share warrants

The Company may issue share warrants subject to, and in accordance with the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the persons registered as holder of the share, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(c) Deposit of share warrant

(I) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(II) Not more than one person shall be recognised as depositor of the share warrant.

(III) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

(d) Privileges and disabilities of the holders of share warrant

(I) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(II) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company.

(e) Issue of new Share Warrant or Coupon

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruct.

**26. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) Where the shares are converted into stock, such of the Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock - holder" respectively.

**27. CAPITALISATION OF PROFITS**

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(I) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(II) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(III) partly in the way specified in sub-article (I) and partly in the way specified in sub-article (II).

(d) A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

**28. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE**

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this Article 28.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(I) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(II) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power :

(I) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

(II) to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

**29. ANNUAL GENERAL MEETING**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

**30. WHEN ANNUAL GENERAL MEETING TO BE HELD**

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

**31. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

(a) Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General

Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

**32. NOTICE OF GENERAL MEETINGS**

(a) Number of days' notice of General Meeting to be given : A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to :

(I) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(II) Auditor or Auditors of the Company, and

(III) All Directors.

The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(b) Notice of meeting to specify place, etc., and to contain statement of business :

Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served : Every notice may be served by the Company on any Shareholder thereof either in writing or through electronic mode as prescribed in the Act and relevant Rules thereunder personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business : Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special. In case of an Annual General Meeting of the Company, all business to be transacted thereat shall be deemed to be special with the exception of the business specified in Section 102 of the Act.

(e) Resolution requiring Special Notice : With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary : When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary : Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

## 33. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(f) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

**34. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the meeting if convened by or upon the requisition of Members, shall stand dissolved but in case of any other Shareholders' Meeting shall be adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

**35. CHAIRMAN**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

**36. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**37. DEMAND FOR POLL**

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded in accordance with the Act, be decided in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

**38. PASSING RESOLUTIONS BY POSTAL BALLOT**

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

**39. VOTES OF MEMBERS**

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(c) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(d) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(e) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint - holders shall be entitled to be present at the meeting. Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(f) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(g) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(h) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(i) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(j) A Shareholder present by proxy shall be entitled to vote only on a poll.

(k) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.

(l) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(m) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

(n) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(I) The Company shall cause minutes of the proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(II) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(III) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(IV) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(V) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(VI) Any such Minutes shall be evidence of the proceedings recorded therein.

(VII) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(VIII) The Company shall cause minutes to be duly entered in books provided for the purpose of :

A. the names of the Directors and Alternate Directors present at each General Meeting;

B. all Resolutions and proceedings of General Meeting.

(o) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(p) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(q) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, SEBI Listing Regulations or any other Law, if applicable to the Company.

**40. DIRECTORS**

(a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

(b) Subject to Article 41(a), Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.

(c) The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

**41. CHAIRMAN OF THE BOARD OF DIRECTORS**

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

**42. APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the Company during such director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the

Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

## 43. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 40. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

## 44. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

## 45. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.

## 46. NOMINEE DIRECTOR

(a) The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any Law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.

## 47. PERIOD OF HOLDING OF OFFICE BY NOMINEE DIRECTORS

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/ shares in the Company or on the satisfaction of liability of the Company arising out of any guarantee furnished by the Corporation.

## 48. APPOINTMENT OF SPECIAL DIRECTORS

On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any Bank or Financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

# MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our Company situated at 24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5 GIFT City, Gandhinagar, Taluka & District - Gandhinagar – 382355 from 10:00 A.M to 3.00 P.M. on working days from the date of the Information Memorandum.

- Certificate of Incorporation of the Company
- Memorandum of Association
- Articles of Association
- BSE's Observation Letter DCS/AMAL/PB/R37/1749/2020-21 dated July 10, 2020
- NSE's Observation Letter NSE/LIST/21867_II dated July 13, 2020
- Scheme of Arrangement between Infibeam Avenues Ltd., NSI Infinium Global Ltd., Suvidhaa Infoserve Ltd., DRC Systems India Ltd., with their respective shareholders and Creditors.
- Order dated November 27, 2020 from Hon'ble National Company Law Tribunal, Ahmedabad sanctioning the Scheme of Arrangement between Infibeam Avenues Ltd., NSI Infinium Global Ltd., Suvidhaa Infoserve Ltd., DRC Systems India Ltd., with their respective shareholders and Creditors.
- Annual Report of the Company for FY ended March 31, 2020
- Reaudited Financial Statements for FY 2017-18, 2018-19, 2019-20 and as on September 30, 2020
- Statement of Tax benefits
- Tripartite Agreement between Company, NSDL and RTA
- Tripartite Agreement between Company, CDSL and RTA

Any of the above mentioned Documents or as mentioned in Information Memorandum may be amended or modified , if so required, in the best interests of the Company or if required by other parties, without reference to the shareholders subject to compliance with the provisions contained in Companies Act and other relevant statutes.

**DECLARATION**

All relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in the information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

**For and on behalf of Board of Directors of DRC Systems India Limited**

Barchha

**Hiten Barchha**
**Managing Director**
**DIN: 05251837**

DRC SYSTEMS INDIA LIMITED

**Date: March 04, 2021**