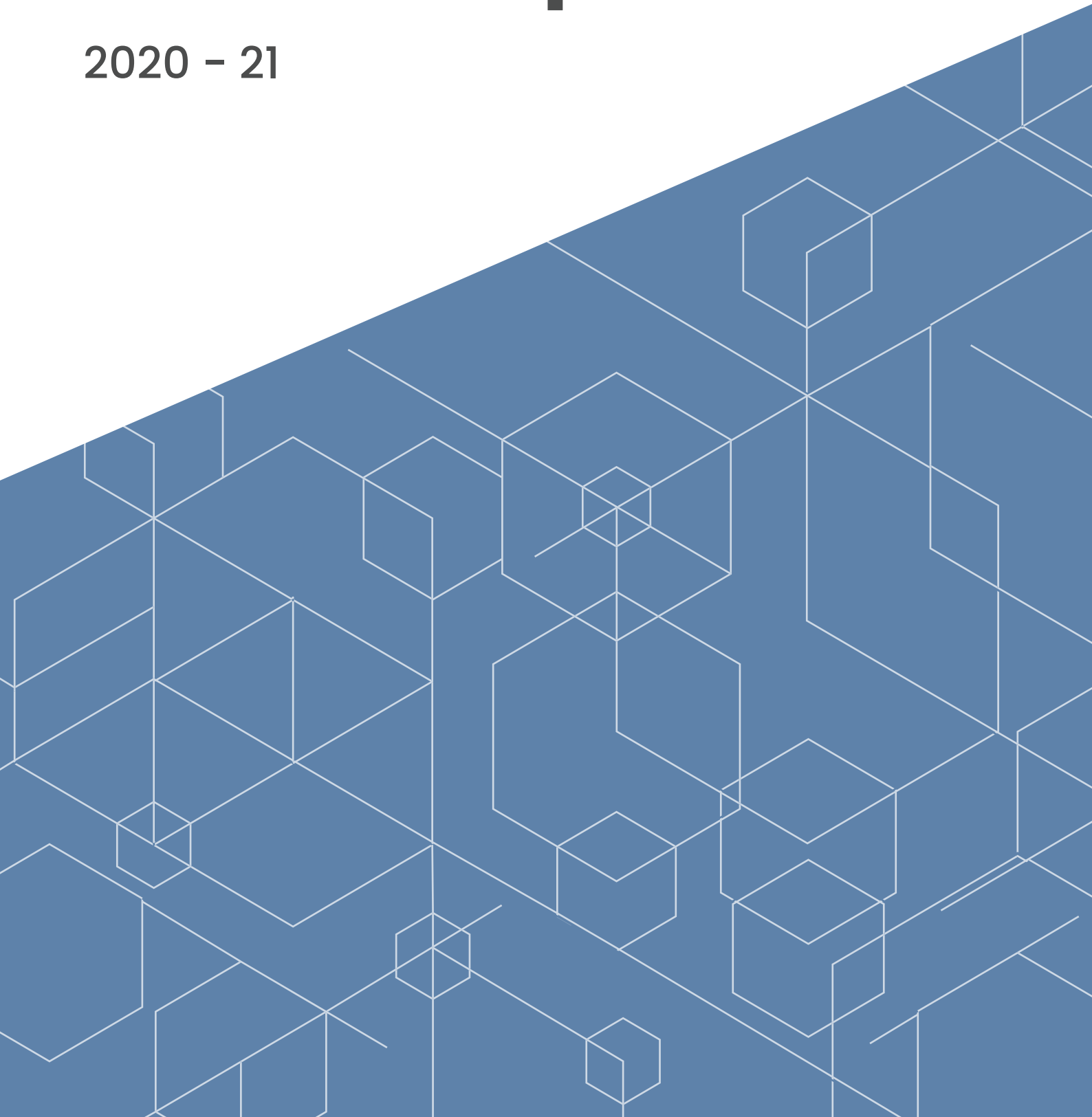




# Annual Report

2020 - 21





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**CORPORATE IDENTITY NUMBER:**

L72900GJ2012PLC070106

**REGISTERED OFFICE:**

24<sup>th</sup> Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5,  
GIFT CITY, Gandhinagar, Taluka & District - Gandhinagar -  
382 355 Gujarat, India

**WEBSITE:**

[www.drcsystems.com](http://www.drcsystems.com)

**Investor Email- ID:**

[ir@drcsystems.com](mailto:ir@drcsystems.com)

**LISTED ON:**

The BSE Limited (Scrip Code: 543268)  
The National Stock Exchange of India Limited (Symbol: DRCSYSTEMS)

**STATUTORY AUDITORS:**

M/s. Rajpara Associates  
Chartered Accountants

**SECRETARIAL AUDITORS:**

Mr. Jitendra Leeya,  
Practicing Company Secretary

**BANKERS:**

HDFC Bank Limited  
Axis Bank Limited

**REGISTRARS & SHARE TRANSFER AGENTS:**

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

Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) Website: [www.linkintime.co.in](http://www.linkintime.co.in)



## Dear Investors,

We would like to thank you for considering an ownership in DRC Systems India Limited and making it successfully get listed on stock exchanges. We truly appreciate your trust invested in our company and giving overwhelming response. While we continue to invest our effort and resource in growing our business and increase profit, we will adopt best practice in our corporate governance ensuring high degree of integrity and transparency with inclusive growth through our technology platform eco-system. On March 10, 2021 DRC Systems India Limited got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). On May 14, 2021 we came out with our maiden performance post listing with complete turnaround for the Financial Year ending March 31, 2021. We are presenting our First Annual Report post listing. The report aims to apprise our shareholders on factors determining the growth of Tech enabled Business Solutions, an overview on Digital Platform business model catering to Business-to-Business (B2B) and Business-to-Consumer (B2C) segment. In the report we have focused on explaining how DRC Systems India Limited with differentiated and state-of-art tech solutions is one of the key participants and the change agent is contributing to the digital transformation in India. We request you to kindly refer to the subsequent pages for detailed Annual Report.

# Lateral thinking, Creative Thinking, Innovation Delivered

## About DRC Systems

DRC Systems is an IT services, consulting and business solutions organization delivering lasting, effective and viable solutions globally. We believe our wide range of tech services that we offer enables us to build stronger relationships with our clients leading to organic growth and strategic transactions. We have consistently delivered value-for-money and effective solutions through IT for the global market by creating a professional environment for our talent, stakeholders, and clients.

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.

We have diversified our service offerings through a mix of organic growth and strategic transactions. We have build a wide range of services that we offer enables us to build stronger relationships with our clients and cross sell our services. We have developed and implemented online service framework for small and large corporate across India and abroad. We have built a robust business model generating revenues with profitable earnings.

We thrive to deliver the business solutions of tomorrow and we see every issue as an opportunity to offer an expected solution. Our services and solutions help businesses scale the market. Our customer base is spread across geographies. We transform and streamline the business activities of enterprises and deliver smart solutions that save time and improve the workflow.

## Performance Highlights during the Year

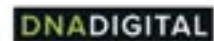
Revenues	EBITDA	EBITDA Margin	Operating Cashflow
₹ 2059.49 Lakhs	₹ 165.18 Lakhs	8.0%	₹ 83.00 Lakhs
90% ▲	286% ▲	104% ▲	605% ▲

## OUR SERVICES

Our services and solutions help businesses scale the market. Our customer base is spread across geographies. We transform and streamline the business activities of enterprises and deliver smart solutions that save time and improve the workflow.



# Few Customers & partnerships



## I BOARD OF DIRECTORS



**Mr. Keyur Shah\***  
Non-Executive  
Independent Chairman



**Mr. Hiten Barchha**  
Managing Director



**Mr. Janmaya Pandya\***  
Executive Director and  
Chief Financial Officer



**Mr. Sanket Khemuka\***  
Non- Executive  
Director



**Mr. Roopkishan Dave\***  
Independent Director



**Mr. Jigar Shah\***  
Independent Director



**Ms. Dipti Chitale\***  
Independent Director

## I AUDIT COMMITTEE



**Mr. Jigar Shah**  
Chairman



**Mr. Keyur Shah**  
Member



**Mr. Roopkishan Dave**  
Member



**Mr. Hiten Barchha**  
Member

\*Subject to the approval of members of the Company at this AGM.



## I NOMINATION AND REMUNERATION COMMITTEE



Mr. Roopkishan Dave  
Chairman



Mr. Jigar Shah  
Member



Mr. Keyur Shah  
Member



Mr. Sanket Khemuka  
Member

## I STAKEHOLDERS RELATIONSHIP COMMITTEE



Mr. Keyur Shah  
Chairman



Mr. Roopkishan Dave  
Member



Mr. Jigar Shah  
Member

## I KEY MANAGERIAL PERSONNEL



Mr. Hiten Barchha  
Managing Director



Mr. Janmaya Pandya  
Executive Director and Chief  
Financial Officer



Mr. Jainam Shah  
Company Secretary



## Chairman's message

# YOUR COMPANY HAS MADE SIGNIFICANT PROGRESS AND GROWN LARGER IN REVENUES AND PROFITS




## Dear Stakeholder,

This is my first letter to you post our Listing. Thank you once again for investing and joining us in being a part of tech enabled digital-revolution. We aspire to be the change agents towards transformation of conventional business ways to digital business platforms. I will share my thoughts on the macro economical perspective of the industry, Company's turnaround and the big picture that we have envisioned going ahead.

Industrial opportunities, I would like to share my optimism about the underlying growth opportunity in this industry. Over the past few years especially during and post COVID-19, we have seen large amounts of investments in the technology to enable business growth. As a result, several e-commerce, marketplaces, e-learning and other digital platforms across the industry have crowded this space. At the same time, there is a notable change in customer's mindset towards acceptance of digital platforms and consumption online. Significant shifts in technology, innovation, user interface, security measures and connectivity are driving the convergence of physical and digital transactions in the world of commerce.





The online space is further evolving with improving internet connectivity. Today, India is on track towards becoming the second largest internet user base globally. With the introduction of 4G and increasing penetration of wireless and broadband services, people are using the internet in more ways than before. As a result, the current Internet penetration is expected to grow to 40% within the next five years. The encouraging growth figures are further driving the digital economy and digital services consumption. Even this is an encouraging sign for us as our technology services can be offered to address the growing need of the industry and enable their business to grow digitally.

It is indeed a great satisfaction to find that your Company has made significant progress and grown larger in revenues and profits. I congratulate the management of the Company for quadrupling the profits since last year, enabling us to generate accruals.

## Financial Performance

Our revenues and EBITDA for the financial year 2020-21 grew by 90% and 286% to INR 2059.49 Lakhs and INR 165.2 Lakhs respectively over the previous year, despite the temporary disruption caused by the COVID impact reflected poorly on the business operations worldwide.

During the year your Company significantly strengthened its presence in the local as well as global markets. I am happy to find your Company making successful inroads into the international market through our prestigious associations with companies who have signed up our technology services to grow their business.

Best Regards,

**Keyur Shah**

*Chairman*



MD's message

**WE CONTINUE TO DEMONSTRATE  
SIGNIFICANT GROWTH REGISTERING  
HEALTHY REVENUE AND PROFITABILITY.**



**Dear Stakeholder,**

It has been challenging and difficult year for everybody. We have seen and gone through a lot. Despite a very uncertain situations, second wave of COVID-19 and probable third wave, we were able to close FY 2021 with very positive and encouraging performance. During this crisis, we had adopted work from home with almost no impact on operations and our back to office routine was also seamless.

We are tremendously focused on our employees related to their well-being, skill development and new talent expansion. We understand that having a right talent is a key to success. Into current market scenario, we were able to maintain and keep employee attrition ratio very well below industry standard. This is a clear reflection of our strategy of stability and growth during this crisis and unmatched commitments of our employees.


Our business performance in this year gone by is outcome of strategies of stability and growth during this pandemic which is based on to these 6 pillars.

- New Customers
- Relevant Services
- Customer Retention
- Optimise Processes
- Quality of Services
- Employee Motivation

○ **Highest historical  
EBITA at INR 165.2  
Lakhs**

○ **Significant  
Improvement in  
operating cash  
flows**





During the early stage of pandemic when India declared nationwide lockdown, your company was able to respond immediately avoiding any impact onto performance and demonstrated resiliency and agility. Our business services are spread across geographies and industry sector, this has helped your company sail through challenging time.

We were able to post positive results for FY 2021 with YoY revenue ▲ 90% and YoY EBITDA Margins ▲ 100% from 4% to 8 %.

Demand was driven by huge from offline to online business across all industry sectors, investments on optimising process, operations, and momentum on digitalization. The shift to digital workplaces became major driver of demand related to IT services, Cloud, Data and Cyber Security.

As many businesses are embarking on digital transformation and cloud adoption, we are seeing this as unique opportunity and our focus and investments will be on expanding and redefining our services portfolio. While we stay open to inorganic acquisitions, we will accelerate hiring of new fresh and experienced talents and skill development of our existing talents.

We are entering FY 2022 with strong order book, robust pipeline and improving market conditions. We are embarking on an exciting growth journey and better outcomes and therefore greater future for our stakeholders. We thank you for your trust and look forward to your continued support on the journey ahead.

Best Regards,

**Hiten Barchha**

*Managing Director*



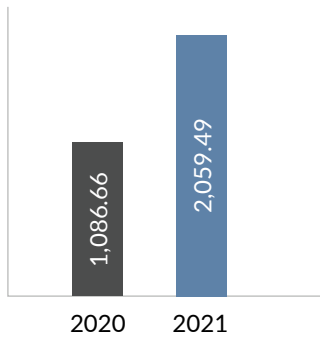
## Delivering Strong Financials

### Key Performance Indicators

#### 1. Operating Revenue

Amounts in Lakhs

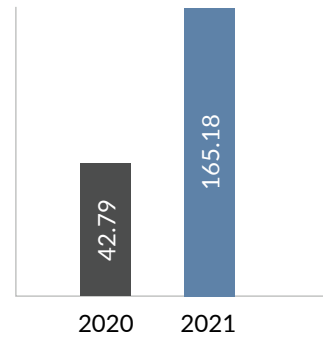
90% ↑



#### 2. EBITDA

Amounts in Lakhs

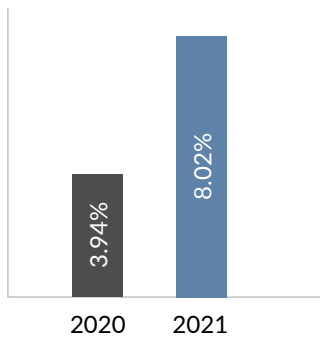
286% ↑



#### 3. EBITA Margin

Amounts in Lakhs

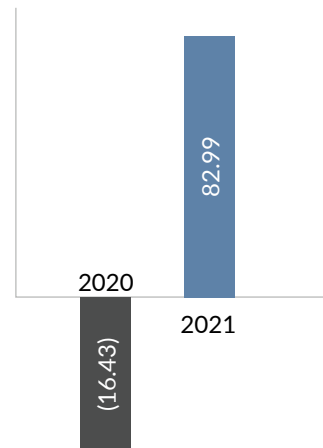
103.7% ↑



#### 4. Cash flow from operating activities.

Amounts in Lakhs

605% ↑




# OUR SERVICES AND PROCESSES



**1**

**Discovery**

- Consultancy
- Discovery Workshop
- Developer on Contract



**2**

**Design**


- UI / UX
- Wireframe
- Frontend



**3**

**Development**

- Web Development
- Mobile Application Development
- Content Management Systems
- e-Commerce
- e-Learning



**4**

**Innovation**


- Blockchain
- Big Data
- IOT



**5**

**Transformation**

- Enterprise Resource Planning (ERP)
- Enterprise Solutions
- Digital Marketing
- Business Process Automation



**6**

**Insight**


- Data Analytics
- AI & Automation



**7**

**Deployment**

- DevOps
- Cloud
- Support And maintenance



**8**

**Assurance**

- Cyber Security
- Manual Testing
- Automation Testing
- Performance Testing

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY AND BUSINESS OVERVIEW

According to the Strategic Review 2021 published by NASSCOM (the “NASSCOM Report”), India’s technology industry is forecasted to grow at 2.3% to reach approximately \$194 billion in fiscal year 2021. According to the NASSCOM Report, exports are estimated to grow at 1.9% to reach approximately \$150 billion in fiscal year 2021 and the domestic sector is forecasted to reach approximately \$45 billion in fiscal year 2021, growing at 3.4%. According to the NASSCOM Report, the growth is driven by increased demand for digital transformation and infrastructure modernization.

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 digitizing economy among 17 leading economies in the world. The world is facing an unprecedented situation across generations with the on-going COVID-19 crisis which has paralyzed the global business environment & reduced the margin for error. Technological advancements are growing & creating new opportunities and at the same time posing new cyber security threats.

*DRC SYSTEMS HAS MOST SOUGHT-AFTER DIGITAL ENTERPRISE SERVICES IN THE TECH-MARKET GLOBALLY*

Testifying to its growth, despite the downturn, the Indian tech industry continues to be a net hirer with significant focus on digital upskilling. The industry is expected to add over 138,000 net new hires in FY21 According to Cloud Next Wave of Growth in India report, India’s cloud market is expected to grow three-fold to Rs. 49,621 crores (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. With a sharp increase in technology adoption, tech companies will play a leading role in the new ecosystem not just as enablers but also in designing solutions and creating new business models.

### Outlook

The spread of the COVID-19 pandemic across the globe and the ensuing lockdown of varying extent in several countries further dampened the hopes of revival in the global economy. Due to the emergence and rapid spread of COVID-19 across the world, economic activity came to a halt. Outbreak of this pandemic has disrupted manufacturing and supply chains, besides sharply curtailing the demand for crude oil and commodities. Thus, the global growth environment is expecting to be challenging in the short term. However, economic activity is likely to normalize in 2021 and 2022 on the back of various fiscal and monetary policy reforms, leading to an improvement in GDP growth.



## Internal control system and their adequacy

We have an adequate system of internal controls in place with documented policies and procedures covering all financial and operational functions. These controls have been designed to provide a reasonable assurance to maintaining proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorised use or losses, compliances with regulations. We continue to align all our processes and controls with global best practices. Some significant features of the internal control of systems are:

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

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

## Risk Factors

Our business is susceptible to several risks and we believe in highlighting some of the key risks to maintain transparency with all our stakeholders. You should carefully consider these risks and all other information in the Annual Report. Any of these risks could adversely impact our business operations, financial position and prospects

- Growth could be impacted by the spread of COVID-19 pandemic across the globe.
- Intense competition in the business.
- Our expansion into new technology, geographical regions, other web services is subject to additional business, legal, financial and competitive risks
- Over Reliance on information technology systems, networks and infrastructure, and internet penetration.

## Human resources

At DRC systems India Limited, we consider it our responsibility to provide our people a favourable, secured and supporting work environment. At the same time, we have in place a well-defined Code of Conduct and ensure that ethical business practices are followed at all levels of the organisation. To maintain a constant connect between the organisational goals and employee performance, we have put in place a fair and objective performance management system. Our appraisal mechanisms help in identifying the best performing employees and rewarding them accordingly in terms of the best-in-class compensation packages. To sharpen the existing skills and for the overall development of our employees, we conduct training programmes from time to time. This also helps us in identifying the loopholes in our existing talent and the taking necessary steps to address them in the best manner possible. As on March 31, 2021, we had an employee strength of 110 people.

# FINANCIAL ANALYSIS

## 1. Revenue from Operations

INR in Lakhs

	FY 2020-21	FY 2019-20	Change
Operating Revenue	2,059.49	1,086.66	90%

Revenue grew from INR 1086.66 lakhs in FY 2020 to INR 2059.49 lakhs in FY 2021

The same was led by surge in demand in IT services across local and international markets

Also, continued strength in demand & prospects for digital skills across verticals increased revenue growth.

The Company operates in two principal geographical areas of the world, in India, its home country, and the other countries. As the Company does not operate in more than one business segment, disclosures for primary segment as required under Ind AS 108 have not been given. Following table mentions the local and international market revenue contribution

INR in Lakhs

	FY 2020-21	FY 2019-20
India	890.51	154.00
Others	1,168.98	932.66
<b>Total</b>	<b>2,059.49</b>	<b>1,086.66</b>

## 2. Other Income

INR in Lakhs

	FY 2020-21	FY 2019-20	Change
Other Income	12.27	75.93	-84%

Other Income decreased from INR 75.93 Lakhs in FY 2020 to INR 12.27 Lakhs in FY 2021 mainly on account of foreign exchange fluctuations.

## Analysis of Expenses

### 3. Contracting Expenses

During the year, company felt that there were opportunities where the company wanted to initiate new engagements wherever possible considering growth as the key factor. Given the challenging lead time to mobilize resources quickly, as employed, company has resorted to subcontracting expenses.

### 4. Employee Benefit Expenses

INR in Lakhs

	FY 2020-21	FY 2019-20	Change
Employee Benefit Expenses	819.82	771.28	6%
% of Revenue	40%	71%	

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

## 5. Finance Costs

INR in Lakhs

	FY 2020-21	FY 2019-20	Change
Finance Costs	5.18	10.58	-51%
% of Revenue	0%	1%	

In order to manage the working capital requirements, company had a intercorporate borrowing in FY 2020. However, the company has managed to optimise its cashflows in the recent quarters and no fresh borrowings have been made. the company continues to closely monitor its liquidity position and deploys a robust cash management system.

## 6. Depreciation and Amortization

INR in Lakhs

	FY 2020-21	FY 2019-20	Change
Depreciation and Amortization Expenses	221.21	25.85	756%
% of Revenue	11%	2%	

Depreciation and Amortization expenses have increased from INR 25.85 Lakhs in FY 2020 to INR 221.21 Lakhs in FY 2021 mainly on account of acquisition of assets acquired during the scheme of arrangement (refer note 33 of the financial statements)

## 7. Other Expenses

INR in Lakhs

	FY 2020-21	FY 2019-20	Change
Other Expenses	153.29	348.52	-56%
% of Revenue	7%	32%	

Other Expenses have reduced from INR 348.52 Lakhs in FY 2020 to INR 153.29 Lakhs in FY 2021. Major contributors to the reduction in other expenses involve reduction in sales and promotion expenses and improvement in the collection cycle resulting in improved receivables and reduced bad debts.

## 8. Key Financial Ratios

Ratio	FY 2020-21	FY 2019-20
Operating margin	15.00%	29.00%
EBIDTA margin	8.00%	3.90%
Net Profit margin	-2.30%	0.10%
Current ratio	1.27	1.93
Debtors Turnover (Days)	143	122
Assets Turnover ratio	2.1	1.24
Debt Equity ratio	-	-
Return on Net Worth	-11.8%	0.47%
Earnings per share	(1.24)	0.06

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 9<sup>th</sup> ANNUAL GENERAL MEETING of the members of DRC SYSTEMS INDIA LIMITED will be held on Tuesday, September 28, 2021 at 10.00 a.m. IST through Video Conferencing ("VC") or Other Audio Video Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.

### SPECIAL BUSINESS:

2. To approve the appointment of Mr. Keyur Shah (DIN: 03111182) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 including any statutory modification(s) or reenactment thereof for the time being in force, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Keyur Shah (DIN: 03111182) who, being qualified and eligible for appointment as an Independent Director pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, was appointed as an Additional Independent Director of the Company by the Board of Directors on December 05, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years w.e.f December 05, 2020 to December 04, 2025, whose term of office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of

the Company be and is hereby authorised to do all such acts, deeds, matters and things deemed necessary and to take such actions/decisions in order to give effect to this resolution"

3. To approve the appointment of Mr. Roopkishan Dave (DIN: 02800417) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 including any statutory modification(s) or reenactment thereof for the time being in force, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Roopkishan Dave (DIN: 02800417) who, being qualified and eligible for appointment as an Independent Director pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 was appointed as an Additional Independent Director of the Company by the Board of Directors on December 05, 2020 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years w.e.f December 05, 2020 to December 04, 2025, whose term of office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things deemed necessary and to take such actions/decisions in order to give effect to the this resolution"

4. To approve the appointment of Mr. Jigar Shah (DIN: 08174430) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 including any statutory modification(s) or reenactment thereof for the time being in force, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Jigar Shah (DIN: 08174430) who, being qualified and eligible for appointment as an Independent Director pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 was appointed as an Additional Independent Director of the Company by the Board of Directors on December 05, 2020 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years w.e.f December 05, 2020 to December 04, 2025, whose term of office shall not be subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things deemed necessary and to take such actions/decisions in order to give effect to the this resolution”

5. To approve the appointment of Mr. Sanket Khemuka (DIN: 06910440) as a Non-Executive Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 152 and 161 of the Companies Act, 2013 read with the

Companies [Appointment and Qualification of Directors] Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Sanket Khemuka (DIN: 06910440) who was appointed as an Additional Non- Executive Director by the Board of Directors of the Company on December 05, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Non-Executive Director of the Company, whose term of office shall liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things deemed necessary and to take such actions/decisions in order to give effect to the this resolution.”

6. To approve the appointment of Ms. Dipti Chitale (DIN: 08991506) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Ms. Dipti Chitale (DIN: 08991506) who, being qualified and eligible for appointment as an Independent Director pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 was appointed as an Additional Independent Director of the Company, upon the recommendation of the Nomination and Remuneration Committee, by the Board of Directors on December 10, 2020 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice

in writing from a Member proposing her candidature for the office of the Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years w.e.f December 10, 2020 to December 09, 2025, whose term of office shall not be subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things deemed necessary and to take such actions/decisions in order to give effect to the this resolution.”

**7. To approve the appointment of Mr. Janmaya Pandya (DIN: 09019756), as a Director**

To consider and if deemed fit, to give assent or dissent to the following resolution to be passed as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Janmaya Pandya (DIN: 09019756), who was appointed as an Additional Director on January 06, 2021 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and upon recommendation of Nomination and Remuneration Committee, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as thinks necessary, and to take such actions/ decisions in order to give effect to this resolution.”

**8. To approve the appointment of Mr. Janmaya Pandya (DIN: 09019756) as an Executive Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections modification(s), the following resolution as a Special

**Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161, 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Janmaya Pandya (DIN: 09019756) who was appointed as an Additional Executive Director, upon recommendation of Nomination and Remuneration Committee, by the Board of Directors of the Company on January 06, 2021, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Executive Director of the Company for a period of 3 (three) years w.e.f January 06, 2021 for a salary of up to Rs. 10.00 Lakh p.a. including any increment in remuneration by way of bonus/incentive/performance linked incentive, if any, payable to Mr. Janmaya Pandya and on such other terms and conditions with a liberty to the Board of Directors (including its Committee thereof) to revise the remuneration including bonus/incentive/performance linked incentive and other terms and conditions of the appointment without approval of Shareholders within the prescribed limit of Schedule V and other applicable provisions of the Companies Act, 2013, whose term of office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any Financial Year the Company has no profits or has inadequate profit, Mr. Janmaya Pandya will be paid minimum remuneration as approved by the Board (including its Committee thereof) within the ceiling prescribed under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things deemed necessary and to take such actions/decisions in order to give effect to the this resolution.”

9. Approval of the DRC Employee Stock Option Plan 2021-22 of the Company and grant of Employee Stock Options to the Employees of the Company thereunder.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and its related and applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEBSE Regulations”), (including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the Memorandum and Articles of Association of the Company, the circulars/ guidelines issued by the Securities and Exchange Board of India and any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority and any other applicable laws for the time being in force and subject to permissions and approvals as may be required and such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any duly constituted committee of the Board, including the Nomination and Remuneration Committee, which the Board has constituted to exercise certain powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded for the formulation and implementation of ‘DRC Employees Stock Option Plan 2021-22’ (hereinafter referred to as the “ESOP 2021-22” or the “Scheme”) authorizing the Board to create and grant from time to time, offer, issue and allot in one or more tranches, not exceeding 5,00,000 (Five Lakhs) Employee Stock Options to or for the benefit of such person(s) who are an employee as designated by the Company, its Holding Company, and Group Company(ies) including Subsidiary and Associate Companies (present and future), who is exclusively working within India or outside India and including the Director thereof, whether Whole-Time or not, including a Non-Executive Director (other than Promoter or belonging to the Promoter Group, an Independent

Director and a Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding Equity Shares of the Company), as may be decided under ESOP 2021-22, exercisable into not more than 5,00,000 (Five Lakhs) Equity Shares of Face Value of Rs. 10/- (Rupees Ten only) each fully paid-up (or such adjusted numbers for any bonus or right issue or stock split or consolidation or other re-organization or restructuring of the capital structure of the Company as may be applicable, from time to time) at such price, in such manner, during such period, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in its absolute discretion and in accordance with the provisions of the law or regulations issued by the relevant Authority and the provisions of ESOP 2021-22.

**RESOLVED FURTHER THAT** the Equity Shares so issued and allotted under ESOP 2021-22 as mentioned herein before shall rank *pari passu* with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, amalgamation, arrangement and sale of division/undertaking or stock split or consolidation or other re-organization, and others, if any, the ceiling as aforesaid of 5,00,000 (Five Lakhs) Equity Shares shall be deemed to be increased/decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under ESOP 2021-22.

**RESOLVED FURTHER THAT** in case the Equity Shares of the Company Split or consolidated, then the number of Equity Shares to be allotted and the price payable by the option grantees under ESOP 2021-22 shall be changed automatically in the same proportion as the present Face Value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the Equity Shares, as and when allotted, under ESOP 2021-22 on the Stock Exchanges where the Equity Shares of the Company are listed as per the provisions of the SEBI Listing Regulations, the SEBI SBEBSE Regulations, and other guidelines, rules and regulations as may be applicable.

**RESOLVED FURTHER THAT** the Company shall comply with the disclosure and accounting policies prescribed from time to time under the SEBI SBEBSE Regulations and any other applicable law, rules and regulations and shall use the fair value method or such other method as prescribed from time to time, to value its Options granted.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to formulate, evolve, implement, administer, interpret, decide upon and bring into effect the ESOP 2021-22 on such terms and conditions as contained in the Explanatory Statement to this item in the Notice, and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP 2021-22 from time to time in conformity with the provisions of the Companies Act, 2013 and rules made thereunder, the Memorandum and Articles of Association, as amended, of the Company, the SEBI SBEBSE Regulations and any other applicable laws, in future, in compliance of SEBI SBEBSE Regulations without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** Mr. Hiten Barchha, Managing Director and/or Mr. Jainam Shah, Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including but not limited to appointment of Merchant Bankers, Valuers, Brokers, Registrars, other Advisors, Consultants and all such professionals or intermediaries or agencies as may be involved or concerned and to execute all such documents, instruments, applications, forms, confirmations, undertakings and writings or any other agreements or documents, etc., with such agencies and also to seek necessary approvals from SEBI/ Stock Exchanges, Depositories and/or any other relevant statutory authority, if any, as may be required in this connection and to give effect to the aforesaid resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred

herein, to any committee of directors or the Managing Director or Company Secretary of the Company, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

**10. Approval of the DRC Employee Stock Option Plan 2021-22 of the Company and grant of Employee Stock Options to the Employees of the Holding Company and Group Company(ies) including Subsidiaries and Associates of the Company under the Scheme.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and its related and applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEBSE Regulations"), (including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the Memorandum and Articles of Association of the Company, the circulars/ guidelines issued by the Securities and Exchange Board of India and any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority and any other applicable laws for the time being in force and subject to permissions and approvals as may be required and such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee of the Board, including the Nomination and Remuneration Committee, which the Board has constituted to exercise certain powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to extend the benefits and coverage of the 'DRC Employees Stock Option Plan 2021-22' (hereinafter referred to as the "ESOP 2021-22" or the "Scheme") (referred to in the Resolution under Item No. 9 of this Notice), salient features of which are detailed in the



explanatory statement to this Notice, to such persons who are an employee of the Holding Company and Group Company(ies) including Subsidiary and Associate Companies (present and future) of the Company, who is exclusively working within India or outside India, including Directors whether Whole-time Directors or not, including a Non-Executive Director (other than Promoter or belonging to the Promoter Group, an Independent Director and a Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding Equity Shares of the Company) and to such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of the applicable laws and regulations in force, as may be decided by the Board, in the manner mentioned in the Resolution under item No. 9 of this Notice, on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI SBEBSE Regulations or other provisions of the law as may be prevailing at that time.

**RESOLVED FURTHER THAT** Mr. Hiten Barchha, Managing Director and/or Mr. Jainam Shah, Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including but not limited to appointment of Merchant Bankers, Valuers, Brokers, Registrars, other Advisors, Consultants and all such professionals or intermediaries or agencies as may be involved or concerned and to execute all such documents, instruments, applications, forms, confirmations, undertakings and writings or any other agreements or documents, etc., with such agencies and also to seek necessary approvals from SEBI/ Stock Exchanges, Depositories and/ or any other relevant statutory authority, if any, as may be required in this connection and to give effect to the aforesaid resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of directors or the Managing Director or Company Secretary of the Company, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and

things as also to execute such documents, writings, etc. as may be necessary in this regard.”

**11. Re - classification of the members belonging to the category of promoter / promoters group to the category of public**

To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Including any statutory modifications or re-enactment thereof for the time being in force) (“Listing Regulations”) and the applicable provisions of the Companies Act, 2013 (“the Act”) and other applicable laws and regulations, as may be applicable, read with the Rules framed there under the Act, (including any amendment, modification or re-enactment thereof from time to time) and subject to necessary approvals from the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (together, “Stock Exchanges”) and such other approvals as may be necessary and in accordance with the recommendation of the Board, consent of the Members be and is hereby accorded for the reclassification of the status of following Promoters and Persons related to Promoters (hereinafter referred to as the ‘Persons’) from “Promoter / Promoter Group” category to the “Public” category shareholder of the Company:

No.	Name of the Persons	Category	Number of Equity Shares held	% of Shareholding
1.	Mr. Kirit Kadvaabhai Gajera	Promoter	1,12,558	2.91
2.	Mr. Ajay Manjibhai Patel	Promoter	91	0.00
3.	Ms. Mital Kiritkumar Gajera	Promoter Group	0	0.00
4.	Ms. Kantaben Kadvaabhai Gajera	Promoter Group	0	0.00
5.	Ms. Nitaben Lalitkumar Dobariya	Promoter Group	0	0.00
6.	Ms. Meera Kiritkumar Gajera	Promoter Group	0	0.00
7.	Mr. Madhav Kiritkumar Gajera	Promoter Group	0	0.00
8.	Ms. Rupali Dakhole	Promoter Group	0	0.00
9.	Ms. Virumatiben Patel	Promoter Group	0	0.00
10.	Ms. Leenaben Mendapara	Promoter Group	0	0.00
11.	Ms. Shorya Amdhare	Promoter Group	0	0.00
12.	Pushtisanskar Panchgavya Private Limited	Promoter Group	0	0.00
13.	Mr. Ashvinbhai Kadvaabhai Gajera (Deceased)	Promoter Group	0	0.00

**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 31A of Listing Regulations and other applicable laws and subject to the necessary approvals, if required, the consent of the members be and is hereby accorded to remove Mr. Ashvinbhai Kadvaabhai Gajera (Deceased) from Promoter Group Category.

**RESOLVED FURTHER THAT** upon receipt of necessary approval(s) for reclassification of the aforementioned Persons, the Company shall effect such re-classification in the statement of shareholding pattern of the Company to be filed under Regulation 31 of Listing Regulations from the immediate succeeding quarter and in all other disclosures as may be required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions for the time being in force.

**RESOLVED FURTHER THAT** any of the Director or Company Secretary or duly authorized officer of the Company, be and are hereby severally authorized to perform and execute all such acts, deeds, matters and things including but not limited to making intimation/filings/ applications with the Stock Exchanges, seeking approvals from the Securities and Exchange Board of India, the BSE Limited, the National Stock Exchange of India Limited (as applicable) and to execute all such forms, documents, instruments, papers and writings etc., on behalf of the Company, as may be required from time to time, and to do and to perform all such acts, deeds and things, as may be necessary, to give effect to this resolution and to settle any question, difficulty or doubt, that may arise in giving effect to aforementioned resolution."

**Registered Office:**

24<sup>th</sup> Floor, GIFT Two Building, Block No. 56,  
Road-5C, Zone-5, GIFT CITY, Gandhinagar  
Taluka & District - Gandhinagar – 382 355

**Date:** August 27, 2021

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

**Jainam Shah**  
Company Secretary

## NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the Special business set out as an item of the accompanying notice is annexed herewith.
2. As required in terms of Secretarial Standard - II and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM have been provided as an "Annexure" to the Notice. Each of the Directors has furnished the requisite consent / declarations for his appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
3. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, Circular no. 20/2020 dated May 5, 2020 and Circular no. 02/2021 dated January 13, 2021 issued by the MCA in continuation to the MCA's general Circular No. 20/2020 dated May 05, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
4. Pursuant to the provisions of the Companies Act, 2013 a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or Governing Body Resolution/ Authorisation Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company by e-mail at [ir@drcsystems.com](mailto:ir@drcsystems.com)
6. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
7. In line with the aforesaid Circulars, the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at [www.drcsystems.com](http://www.drcsystems.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the e-voting website of Link Intime India Pvt Ltd ("Link Intime") (agency for providing the Remote e-Voting facility) i.e. <https://instavote.linkintime.co.in>
8. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company by providing necessary details like Folio No., Name of the shareholder by email

to [ir@drcsystems.com](mailto:ir@drcsystems.com) to receive copies of the Annual Report 2020-21 in electronic mode.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 21, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of AGM.
10. Shareholders seeking any information with regard to financial statements or any matter to be placed at the AGM are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
11. To support the "Green Initiative", members holding shares in physical form are requested to notify/send their email id and bank account details to the Registrar & Transfer Agent (RTA) of the Company i.e. Link Intime. In addition, members holding shares in the demat form are requested to contact their respective Depository Participant and register their email id and bank account for receiving all communication including Annual Report 2020-21, Notices, Circulars, etc. from the Company electronically.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.
13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the RTA of the Company i.e. Link Intime., 5th Floor, 506 to 508 Amarnath Business Centre - I (ABC - I), Beside Gala Business Centre, Nr. St. Xavier's College Corner Off C G Road, Navarangpura, Ahmedabad - 380 009, Gujarat, India for assistance in this regard.
14. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the RTA of the Company i.e. Link Intime. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant. The Nomination Form is available on the Company's website i.e. [www.drcsystems.com](http://www.drcsystems.com).
15. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode during the AGM.
18. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis.

This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

19. In compliance with the Circulars, the Annual Report 2020-21, the Notice of the 9<sup>th</sup> AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

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

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

21. General Information:

- i. Shareholders/Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- ii. Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- iii. Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN

connection to mitigate any kind of aforesaid glitches.

- iv. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
- v. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker in advance at least 7 days before the AGM by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio Number, PAN, mobile number at [ir@drcsystems.com](mailto:ir@drcsystems.com). Those Shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

22. VOTING THROUGH ELECTRONIC MEANS :

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, and any other applicable provisions as amended, the Company is pleased to offer the facility of voting through electronic means and the businesses set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Link Intime.
- B. The Members, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

- C. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participant in the AGM through VC but shall not be entitled to cast their vote again.
- D. The remote e-voting period commences at 09:00 a.m. on Friday, September 24, 2021 and ends at 05:00 p.m. on Monday, September 27, 2021. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, September 21, 2021, may cast their vote by remote e-voting. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences at 09:00 a.m. on Friday, September 24, 2021 to 05:00 p.m. on Monday, September 27, 2021, or e-Voting during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- E. The voting rights of shareholders shall be in proportion to their shares in the Paid Up Equity Share Capital of the Company as on the cut-off date, being Tuesday, September 21, 2021.

### 23. Instructions for Remote E-voting and E-voting at the AGM:

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL</li> </ul>

Type of shareholders	Login Method
	<p>Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<p>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</p>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINK-INTIME.</p>	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>  Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -</li> </ol> <p><b>A. User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</p> <p><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p> <p><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</p>

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- D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
- Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
  - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
  - Click "**confirm**" (Your password is now generated).
2. Click on 'Login' under '**SHARE HOLDER**' tab.
  3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
  4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
  5. E-voting page will appear.
  6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
  7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.
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### Institutional shareholders:

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

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

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



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

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

**Helpdesk for Individual Shareholders holding securities in demat mode:**

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

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

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

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

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

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

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

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

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

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

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

- a. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
- b. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
- c. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- d. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
- e. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

26. In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

## 27. Other Instructions:

- I. M/s. SPANJ & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
- II. Based on the report received from the scrutinizer, the Company will submit within Two working days of the conclusion of the Meeting to the Stock Exchanges i.e BSE Limited and National Stock Exchange of India Limited, details of the voting results as required under Regulation 44(3) of the LODR and the same shall also be placed on the Company’s website [www.drcsystems.com](http://www.drcsystems.com) and on the website of Link Intime <http://instavote.linkintime.co.in>.

## ANNEXURE TO THE NOTICE

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

#### Item No. 2

The Board of Directors of the Company has appointed Mr. Keyur Shah (DIN: 03111182) as an Additional Independent Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act 2013 and Articles of Association of the Company with effect from December 05, 2020 for a period of five (5) consecutive years and he holds the office up to the date of the ensuing Annual General meeting. The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing candidature of Mr. Keyur Shah for the office of Director.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. He is not disqualified from being appointed as Director in terms of Section 164(2) of the Act. He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of Independent Directors will not be liable to retire by rotation at the AGM.

The details required as per the provisions of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India have been provided in the "Annexure" to the Notice.

Copy of the draft letter for appointment of Mr. Keyur Shah as an Independent Director of the Company setting out the terms and conditions is available for inspection by the members at the registered office of the Company during business hours between 11.00 A.M. to 2.00 P.M. on all working days of the Company (Except Saturday, Sunday and Public holiday) till the date of this AGM.

Your Board considers that the Company will benefit from Mr. Keyur Shah's valuable experience, knowledge and counsel. The Board recommends this resolution for your approval.

Except Mr. Keyur Shah, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

#### Item No. 3

The Board of Directors of the Company has appointed Mr. Roopkishan Dave (DIN: 02800417) as an Additional Independent Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act 2013 and Articles of Association of the Company with effect from December 05, 2020 for a period of five (5) consecutive years and he holds the office up to the date of the ensuing Annual General meeting. The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing candidature of Mr. Roopkishan Dave for the office of Director.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of Independent Directors will not be liable to retire by rotation at the AGM.

The details required as per the provisions of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India have been provided in the "Annexure" to the Notice.

Copy of the draft letter for appointment of Mr. Roopkishan Dave as an Independent Director of the Company setting out the terms and conditions is available for inspection by the members at the registered office of the Company during business hours between 11.00 A.M. to 2.00 P.M. on all working days of the Company (Except Saturday, Sunday and Public holiday) till the date of this AGM.

Your Board considers that the Company will benefit from Mr. Roopkishan Dave's valuable experience, knowledge and counsel. The Board recommends this resolution for your approval.

Except Mr. Roopkishan Dave, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

#### **Item No. 4**

The Board of Directors of the Company has appointed Mr. Jigar Shah (DIN: 08174430) as an Additional Independent Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act 2013 and Articles of Association of the Company with effect from December 05, 2020 for a period of five (5) consecutive years and he holds the office up to the date of the ensuing Annual General meeting. The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing candidature of Mr. Jigar Shah for the office of Director.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of Independent Directors will not be liable to retire by rotation at the AGM.

The details required as per the provisions of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India have been provided in the "Annexure" to the Notice.

Copy of the draft letter for appointment of Mr. Jigar Shah as an Independent Director of the Company setting out the terms and conditions is available for inspection by the members at the registered office of the Company during business hours between 11.00 A.M. to 2.00 P.M. on all working days of the Company (Except Saturday,

Sunday and Public holiday) till the date of this AGM.

Your Board considers that the Company will benefit from Mr. Jigar Shah's valuable experience, knowledge and counsel. The Board recommends this resolution for your approval.

Except Mr. Jigar Shah, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

#### **Item No. 5**

The Board of Directors of the Company has appointed Mr. Sanket Khemuka (DIN: 06910440) as an Additional Non Executive, Non Independent Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act 2013 and Articles of Association of the Company with effect from December 05, 2020 and he holds the office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing candidature of Mr. Sanket Khemuka for the office of Director.

The details required as per the provisions of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India have been provided in the "Annexure" to the Notice.

Your Board considers that the Company will benefit from Mr. Sanket Khemuka's valuable experience, knowledge and counsel. The Board recommends this resolution for your approval.

Except Mr. Sanket Khemuka, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

#### **Item No. 6**

The Board of Directors, upon the recommendation of Nomination and Remuneration Committee, have appointed Ms. Dipti Chitale (DIN: 08991506) as an Additional Independent Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act 2013 and Articles of Association of the Company with effect from December 10, 2020 for a period of five (5) consecutive years and she holds the office up to the date

of the ensuing Annual General meeting. The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing candidature of Ms. Dipti Chitale for the office of Director.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members. She is not disqualified from being appointed as Director in terms of Section 164 of the Act. She is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. As per the provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of Independent Directors will not be liable to retire by rotation at the AGM.

The details required as per the provisions of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India have been provided in the "Annexure" to the Notice.

Copy of the draft letter for appointment of Ms. Dipti Chitale as an Independent Director of the Company setting out the terms and conditions is available for inspection by the members at the registered office of the Company during business hours between 11.00 A.M. to 2.00 P.M. on all working days of the Company (Except Saturday, Sunday and Public holiday) till the date of this AGM.

Your Board considers that the Company will benefit from Ms. Dipti Chitale's valuable experience, knowledge and counsel. The Board recommends this resolution for your approval.

Except Ms. Dipti Chitale, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

#### Item No. 7 & 8

In accordance with the provisions of Section 152, 196, 197, 203 of Companies Act, 2013 ('Act'), read with Schedule V to the Act and other applicable provisions, if any, of the Act, and the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, upon the recommendation of Nomination and Remuneration Committee at its meeting held on January 06, 2021, the Board at its meeting held on January 06, 2021, appointed Mr. Janmaya Pandya as an Additional Executive Director, subject to approval of Shareholders, at a Salary of up to Rs. 10.00 Lakh p.a. including any increment in remuneration by way of bonus/incentive/performance linked incentive, if any, to Mr. Janmaya Pandya and on such other terms and conditions with a liberty to the Board of Directors to revise the remuneration includes bonus/incentive/performance linked incentive without approval of Shareholders within the prescribed limit of Schedule V and other applicable provisions of the Companies Act, 2013. The period of appointment of Mr. Janmaya Pandya is for 3 years with effect from January 06, 2021 till January 05, 2024. The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing candidature of Mr. Janmaya Pandya for the office of Director.

The principal terms and conditions of appointment of Mr. Janmaya Pandya as an Executive Director (hereinafter referred to as the 'ED') are as follows:

#### 1. **Period of Appointment:**

Three years commencing from January 06, 2021, the date of appointment.

#### 2. **Remuneration:**

In consideration of the performance of his duties, the Company shall pay to Mr. Janmaya Pandya the remuneration upto Rs. 10,00,000 /- (Rupees Ten Lakhs Only) per annum including bonus/incentive/performance linked incentive in accordance with the Schedule V and other applicable provisions of the Companies Act, 2013.

The overall managerial remuneration payable to Mr. Janmaya Pandya shall be such amount as may be fixed by the Board (including its Committee thereof) from time to time but not exceeding Rs. 20,00,000/- (Rupees Twenty Lakhs Only) per annum at any point of time and that the terms and

conditions of the aforesaid remuneration payable to the said Executive Director be varied/alterd/ revised within said overall limit, in such manner as may be required during aforesaid period of 3(three) years.

3. **Income-Tax** in respect of the above remuneration, tax will be deducted at source as per the applicable Income Tax Laws / Rules.

4. ED shall be entitled to be paid / reimbursed by the Company all costs, charges & expenses as may be reasonably incurred by him for the official purpose or on behalf of the Company subject to such ceiling as may be decided by the Board.

5. **Powers & Responsibilities** as an Executive Director ("ED")

- As an ED, Mr. Janmaya Pandya will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called "the Board") shall from time to time in its absolute discretion determine and entrust to him, subject, nevertheless to the provisions of the Companies Act, 2013 and SEBI Rules and Regulations in this regard or any statutory modifications or re-enactment thereof for the time being in force.
- ED will, to the best of his skill and ability, endeavor to promote the interests and welfare of the Company and to conform to and comply with the directions & regulations of the Company and also such orders and directions as may from time to time be given to him by the Board of Directors of the Company.
- ED shall at all times act in the best interests of the Company and all its stakeholders (including its minority shareholders) and keep the Board of Directors informed of any developments or matters that have materially impaired, or are reasonably likely to materially impair, the interests of the Company and/ or any of its stakeholders.

- Subject to the superintendence, control and direction of the Board, ED shall

- i. have the general control of the business of the Company and be vested with the Management and day to day affairs of the Company
- ii. have the authority to enter into contracts on behalf of the Company in the ordinary course of business and
- iii. have the authority to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper in the best interest of the Company
- iv. ED shall devote the whole of his time, attention and abilities to manage the business of the Company and shall use his best endeavour to promote its interest and welfare.

6. During the currency of this tenure, ED shall not directly or indirectly engage himself in any other employment, business or occupation of whatsoever nature.

7. The terms & conditions of appointment and the payment of remuneration to ED may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit and in accordance with the provisions of the Companies Act, 2013 or SEBI Rules and Regulations in this regard or any amendments made hereafter in this regard and within the overall approval given by the Shareholders.

8. If at any time the ED ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the ED and this memorandum with the Company shall stand terminated forthwith. Similarly, if at any time the ED ceases to be in the employment of the Company for any cause/ reason whatsoever, he shall cease to be a Director of the Company.

9. Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the remuneration of Mr. Janmaya Pandya as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits specified in Section 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Janmaya Pandya.

10. Pursuant to Clause (IV) of Section II of Schedule V of Companies Act, 2013 the following statement is given:

I. General Information		
(1)	Nature of Industry	Information Technology
(2)	Date or expected date of commencement of commercial production:	Not Applicable.
(3)	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable.
(4)	Financial Performance based on given indicators	Performance for Financial Year 2020-21: 1. Revenue from Operations : Rs. 2059.49 Lakhs 2. Profit After Tax: Rs. (47.91) Lakhs 3. Earnings per share: Rs. (1.24)
(5)	Foreign investments or collaborations, if any.	Not Applicable.
II. Information about the appointee:		
(1)	Background details	Mr. Janmaya Pandya holds the position of Chief Financial Officer at DRC Systems India Limited. 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.
(2)	Past remuneration	Rs. 9,65,478 /- per annum
(3)	Job profile and his suitability	Mr. Janmaya Pandya has 7+ years of experience in the field of Accounts and Audit. Mr. Pandya offers a rich blend of finance, operations, accounting, auditing and advisory gained from 9 years of experience in the finance sector. He brings vast expertise and experience in managing financial accounts, developing and allocating budgets, IFC, business strategies, MIS and Financial Modelling. Adept at adding value, reorganizing, streamlining and strengthening finance operations to maximize performance and profitability.

(4)	Remuneration proposed	As mentioned in the Resolution stated above.
(5)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and board level positions held in similar sized and similarly positioned business.
(6)	Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel	Mr. Janmaya Pandya holds 7 shares of the Company.
<b>III. Other information:</b>		
(1)	Reasons of loss or inadequate profits	The resource utilisation levels were affected due to the Covid situation resulting in lower margins. Company has taken several strategic and contracting expenses in order to stay competitive in the current environment. Also, there was an increase in the depreciation and amortization expenses over the previous year.
(2)	Steps taken or proposed to be taken for improvement	The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position.
(3)	Expected increase in productivity and profits in measurable terms	The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.

The details required as per the provisions of the Listing Regulations and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India have been provided in the “Annexure” to the Notice.

Your Board considers that the Company will benefit from Mr. Janmaya Pandya’s valuable experience, knowledge and counsel. The Board recommends this resolution for your approval.

Except Mr. Janmaya Pandya, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

#### Item No. 9 & 10

Employee stock options are considered as an effective tool to attract and retain the best talent and also serve to attract, incentivise and motivate professionals and reward exceptional performance.

Towards this end, the Company has proposed to approve and adopt the ‘DRC Employees Stock Option Plan 2021-22 (hereinafter referred to as the “ESOP 2021-22” or the “Scheme”) with a view to attract and retain key talents working with the Company, its Holding Company and Group Company(ies) including Subsidiary and Associate Company (ies) (Present and future) by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability.

The Nomination and Remuneration Committee (“NRC”) at its meeting held on August 27, 2021, inter-alia, formulated the



detailed terms and conditions of the said Scheme which were duly approved by the Board of Directors of the Company ("the Board") at its Meeting held on August 27, 2021, subject to the approval of the Members of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEBSE Regulations"), as amended from time to time, the circulars and clarifications issued thereunder and other applicable laws, including the Companies Act, 2013 ("Act"). Therefore, approval of the Members is being sought for the implementation of the Scheme and grant of Stock Options to the eligible employees of the Company, its Holding Company and Group Company(ies) including Subsidiaries and Associates.

Pursuant to provisions of SEBI SBEBSE Regulations, approval of the Members is being sought for launch of ESOP 2021-22 and for issue of ESOPs to the eligible employees of the Company, its Holding Company and Group Company(ies) including Subsidiaries and Associates accordingly, from time to time, as decided by the Nomination and Remuneration Committee and the Board in due compliance of the SEBI SBEBSE Regulations.

The number of Equity Shares to be issued and allotted under ESOP 2021-22 will be limited to 5,00,000 (Five Lakhs) Equity Shares of Face Value of Rs. 10/- (Rupees Ten only) each fully paid-up.

The salient features of the Scheme and various disclosures in terms of the Act, the SEBI SBEBSE Regulations read with Part A of Schedule I of the SEBI SBEBSE Regulations, are as follows:

### 1. Brief Description of the Scheme

The Company proposes to introduce ESOP 2021-22 for the benefit of the permanent employees and eligible Directors of the Company, its Subsidiaries and Associates and such other eligible persons as may be determined as per SEBI SBEBSE Regulations for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment and issue of equity shares of the Company.

The Nomination and Remuneration Committee (Committee) of the Company shall act as Compensation Committee for implementation and administration of ESOP 2021-22. All questions of interpretation of the ESOP 2021-22 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2021-22.

### 2. Total number of Options to be granted

The total number of options to be granted under ESOP 2021-22 shall not exceed 5,00,000 (Five Lakhs) options. Each option when exercised would be converted into one Equity Share of Rs. 10/- (Rupees Ten only) each fully paid-up.

The SEBI SBEBSE Regulations requires that in case of any corporate action(s) such as rights issue, bonus issue, merger, amalgamation, arrangement, stock split, consolidation and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such manner that the total value of the options granted under ESOP 2021-22 remain the same after any such corporate action(s). Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 5,00,000 (Five Lakhs) shall be deemed to be increased to the extent of such additional options so issued.

### 3. Identification of classes of employees entitled to participate in ESOP 2021-22

Persons who are employees as designated by the Company, its Holding Company and Group Company(ies) including Subsidiary and Associate Companies (present and future) who are exclusively working in or outside India including Directors whether Whole-time Directors or not, including a Non-Executive Director and any other person as determined by the Board and/or the NRC, shall be eligible for grant of Options under the Scheme.

*The following category of persons shall not be eligible for grant of Options in the Scheme:*

- a. a promoter or a person belonging to the promoter group, as defined under the SEBI SBEBSE Regulations;
- b. an independent director;
- c. a director who either by self or through his relatives or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

#### **4. Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than one year from the date of grant of options or period more than one year as may be determined by the Committee.

The vesting dates in respect of the options granted under the Scheme shall be determined by the Committee and may vary from an employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee. Options shall vest based on continuation of employment and achievement of any performance condition(s), if any, for vesting as prescribed by the Committee.

#### **5. Maximum period within which the options shall be vested**

All the options granted on any date shall vest not later than a maximum period as may be determined by the Committee subject to continued employment and achievement of performance conditions, if any, as prescribed by the Committee.

#### **6. Exercise price or pricing formula**

The Exercise Price shall be equal to Face Value of Equity Shares i.e. Rs. 10/- per option or such other price as the committee decides, from time to time.

#### **7. Exercise period and the process of exercise**

The exercise period would commence from the date of vesting and will expire on completion of four years from the date of vesting or any other period as may be decided by the Committee from the date of respective vesting of options.

The vested Options shall be exercisable by the employees either in full or in tranches as may be permitted by the Scheme by a written application to the Company expressing his/her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

#### **8. Appraisal process for determining the eligibility of employees under ESOP 2021-22**

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

#### **9. Maximum number of Options to be issued per employee and in aggregate**

The maximum number of Stock Options to be granted to any employee shall be decided by the Board or Nomination and Remuneration Committee. However, the number of Stock Options that may be granted to a single employee under the Scheme, during any one year, shall not exceed 0.99% of the paid-up equity share capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/ re-organization of capital structure of the Company from time to time). The aggregate of all such Stock Options shall not result into more than 5,00,000 (Five Lakhs) Equity Shares which shall be adjusted in lieu of corporate actions, adjustments/ re-organization of capital structure of the Company from time to time.

During any one year, if grant of options to any employee would be equals to or exceeds 1% of the issues capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Stock Options, separate approval of the Shareholders shall be obtained as per provisions of SEBI SBEBSE Regulations, prior to such grant.

**10. Maximum quantum of benefits to be provided per employee under the scheme**

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

**11. Implementation and Administration**

The Scheme shall be implemented and administered directly by the Company.

**12. Whether the Scheme involves new issue of Equity Shares by the Company or secondary acquisition or both**

The Scheme contemplates fresh/new issue of shares by the Company.

**13. The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.**

This is not applicable under the present Scheme.

**14. Maximum percentage of secondary acquisition**

This is not relevant under the present Scheme.

**15. Statement regarding the conformity of Accounting Policies as specified in Regulation 15 of SEBI SBEBSE Regulations.**

The Company shall comply with the disclosures and the accounting policies as prescribed from time to time.

**16. Method of option valuation**

The Company shall adopt the fair value method of valuation of options. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws and regulations.

**17. The following statement, if applicable:**

In case the company opts for expensing of share

based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation

cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ('EPS') of the company shall also be disclosed in the Directors' report.

The said Statement is not applicable to the Company since the Company is opting for the Fair Value Method.

As per the SEBI SBEBSE Regulations, a separate special resolution is required to be passed, if the benefits of the Employee Stock Option Plan are to be extended to the employees of present or future subsidiary(s) of the Company and such employees be allowed to enjoy the benefits of ESOP 2021-22 in the same manner and subject to terms and conditions as mentioned herein. Accordingly, separate Special Resolutions are being duly proposed for members' approval in item no.10 for extending the ESOP 2021-22 to employees of the present or future subsidiary companies of the Company.

The Board of Directors of the Company recommends these Resolutions for the approval of the Members of the Company.

None of the Directors, KMP of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

**18. Period of Lock-in**

The Company has not specified the Lock in period for the shares issued pursuant to exercise of the option. However, the same may be imposed at the time of exercise of ESOPs for reasonable period, if it deems fit by the Board and/or NRC within the powers given under various statutes, law and regulations.

**19. Terms & Conditions for buyback, if any, of specified securities covered under these regulations**

As per the Scheme Not Applicable.

## Item No. 11

The Company, vide request letters dated August 26, 2021 had received requests from Promoters and Persons related to Promoters (“Outgoing Persons”), for reclassification of their status from “Promoter/Promoter Group” Category to “Public” Category as per Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) (“Request Letters”). The current holding of the Outgoing Persons is given below:

No.	Name of the Persons	Category	Number of Equity Shares held	% of Shareholding
1.	Mr. Kirit Kadvabhai Gajera	Promoter	1,12,558	2.91
2.	Mr. Ajay Manjibhai Patel	Promoter	91	0.00
3.	Ms. Mital Kiritkumar Gajera	Promoter Group	0	0.00
4.	Ms. Kantaben Kadvabhai Gajera	Promoter Group	0	0.00
5.	Ms. Nitaben Lalitkumar Dobariya	Promoter Group	0	0.00
6.	Ms. Meera Kiritkumar Gajera	Promoter Group	0	0.00
7.	Mr. Madhav Kiritkumar Gajera	Promoter Group	0	0.00
8.	Ms. Rupali Dakhole	Promoter Group	0	0.00
9.	Ms. Virumatiben Patel	Promoter Group	0	0.00
10.	Ms. Leenaben Mendapara	Promoter Group	0	0.00
11.	Ms. Shorya Amdhare	Promoter Group	0	0.00
12.	Pushtisanskar Panchgavya Private Limited	Promoter Group	0	0.00
13.	Mr. Ashvinbhai Kadvabhai Gajera (Deceased)	Promoter Group	0	0.00

The Company has also received a request letter dated August 26, 2021 from Mr. Kirit Gajera, one of the Promoters intimating the sad demise of Mr. Ashvinbhai Kadvabhai Gajera (Real brother of Mr. Kirit Gajera) with a request to remove his name from Promoter Group Category.

The Outgoing Persons have informed the Company vide their request letters, they are not, directly or indirectly, associated with the business of the Company and do not have any influence over the business and policy decisions made by the Company and they are neither involved in the day to day activities of the Company nor are they exercising any control over the affairs of the Company. Further, the Outgoing Persons have confirmed that they along with the persons related to them [as defined under sub-clauses (ii), (iii) and (iv) of clause (pp) of sub-regulation (1) of Regulation 2 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]:

- i. do not, together, hold more than 10% (ten per cent) of the total voting rights in the Company;
- ii. do not exercise control over the affairs of the Company, directly or indirectly;
- iii. do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- iv. are not represented on the Board of Directors of the Company (including through Nominee Director);
- v. are not acting as a Key Managerial Person in the Company;
- vi. are not ‘wilful defaulters’ as per the Reserve Bank of India Guidelines; and
- vii. are not fugitive economic offenders.

Further, the Outgoing Persons have confirmed that subsequent to its reclassification, it will continue to comply with the provisions of Regulation 31A(4) of Listing Regulations.

The Board of Directors at its meeting held on August 27, 2021, have noted that -

- a. The Company is in compliance with requirements of minimum public shareholding as required under Regulation 38 of Listing Regulations;
- b. The trading in Equity Shares of the Company have not been suspended by the stock exchanges where Equity Shares of the Company are listed;
- c. The Company does not have outstanding dues to the SEBI, stock exchanges or the depositories.

And after considering the confirmations and undertakings given in the Request Letters in respect to compliance with Regulation 31A of Listing Regulations, have accepted and approved the requests received from Outgoing Persons for reclassifying their status as Public Shareholders.

Subsequent to the reclassification of the Outgoing Persons, the shareholding of the Promoter and Promoter Group of the Company will be 25.64%.

In accordance with Regulation 31A of Listing Regulations, the reclassification of status of shareholders from 'Promoter / Promoter group' category to 'public' category, inter alia, requires approval of shareholders of the company by way of an Ordinary Resolution and also the approval of the Stock Exchanges, where the Equity Shares of the Company are listed.

Accordingly, the Board recommends the resolution proposed in Item No.11 of the Notice for the approval of members by way of an Ordinary Resolution.

None of Director or Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

**Registered Office:**

24<sup>th</sup> Floor, GIFT Two Building, Block No. 56,  
Road-5C, Zone-5, GIFT CITY, Gandhinagar  
Taluka & District - Gandhinagar - 382 355

**Date:** August 27, 2021

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

**Jainam Shah**  
Company Secretary

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

### Particulars

Profile of the Director						
Name of the Director(s)	Mr. Keyur Shah	Mr. Roopkishan Dave	Mr. Jigar Shah	Mr. Sanket Khemuka	Ms. Dipti Chitale	Mr. Janmaya Pandya
DIN	03111182	02800417	08174430	06910440	08991506	09019756
Date of Birth	March 07, 1979	August 23, 1955	September 13, 1978	March 07, 1974	June 08, 1986	February 22, 1990
Date of appointment on the Board	December 05, 2020	December 05, 2020	December 05, 2020	December 05, 2020	December 10, 2020	January 06, 2021
Qualifications	Bachelor of Law (LLB), Master of Business Administration in Finance (MBA), Insolvency Professional, Registered Valuer under the Insolvency and Bankruptcy Board of India and Fellow member of the Institute of Company Secretaries of India.	B.E. (Electronics and Communication), M.B.A., M.Sc. (Health Science) and Ph.D. (Disaster Management)	Bachelor's Degree in Commerce, Insolvency Professional, Registered Valuer under the Insolvency and Bankruptcy Board of India and Fellow member of the Institute of Chartered Accountants of India.	Bachelor of Engineering (Electronics) and Master of Business Administration (Marketing)	Bachelor's Degree in Commerce, Certified Japanese language proficiency test LEVEL - 2.	Bachelor's Degree in Commerce, PGDM - Finance and Level II Chartered Financial Analyst
Experience & Expertise in specific functional areas	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. Roopkishan Dave has over 42 years of experience. His domain expertise includes 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.	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. 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.	Ms. 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. College of Commerce, Nasik.	Janmaya Pandya, 30 years old, holds the position of Executive Director and Chief Financial Officer at DRC Systems India Limited. He has over 9 years of experience in the finance sector.

Profile of the Director

Particulars

Name of the Director(s)	Mr. Keyur Shah	Mr. Roopkishan Dave	Mr. Jigar Shah	Mr. Sanket Khemuka	Ms. Dipti Chitale	Mr. Janmaya Pandya
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.	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 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.	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.	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.	He offers a rich blend of finance, operations, accounting, auditing and advisory and has vast expertise and experience in managing financial accounts, developing and allocating budgets, IFC, business strategies, MIS and Financial Modeling. He can adapt his expertise at adding value, reorganizing, streamlining and strengthening finance operations to maximize performance and profitability.	

Please refer to the Corporate Governance Report (Annexure - A) forming a part of Director's Report

Remuneration last drawn (including sitting fees, if any)

## Profile of the Director

### Particulars

Name of the Director(s)	Mr. Keyur Shah	Mr. Roopkishan Dave	Mr. Jigar Shah	Mr. Sanket Khemuka	Ms. Dipti Chitale	Mr. Janmaya Pandya
Number of Meeting of the Board attended during the Financial Year (2020-21)	04 (Four)	01 (One)	04 (Four)	04 (Four)	03 (Three)	01 (One)
Names of other Companies in which the Director holds Directorship as on 31.03.2021	Nil	1. Infibeam Digital Entertainment Private Limited 2. Infibeam Avenues Limited	1. Den Valuation (OPC) Private Limited	1. Mugenesis Software Private Limited 2. Mugenesis Software (India) Private Limited 3. Playck Interactive Private Limited	Nil	Nil
Names of Committees of other listed Companies in which the Director holds Chairmanship/ Membership as on 31.03.2021	Nil	Audit Committee: 1. Infibeam Avenues Limited# Nomination and Remuneration Committee: 1. Infibeam Avenues Limited* Stakeholders Relationship Committee: 1. Infibeam Avenues Limited#	Nil	Nil	Nil	Nil
Shareholding in the Company as on 31.03.2021	Nil	01 Equity Share of Rs. 10/- each	Nil	Nil	Nil	07 Equity Shares of Rs. 10/- each
Relationships between Directors, Key Managerial Personnel and Managers of the Company	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

# - Member of the Committee

\* - Chairman of the Committee



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 9<sup>th</sup> Annual Report of your Company i.e. DRC Systems India Limited ("the Company" or "DRC"), along with the Audited Financial Statements, for the Financial Year ended March 31, 2021.

### 1. FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2021 is summarised in the table below:

Particulars	(Rs. in Lakhs)	
	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operations	2,059.49	1,086.66
Other Income	12.27	75.93
<b>Total Income</b>	<b>2,071.76</b>	<b>1,162.59</b>
Total Expenditure other than Finance Cost, Depreciation and Tax	1,906.58	1,119.80
<b>Operating Profit / (Loss) before Finance Cost, Depreciation and Tax</b>	<b>165.18</b>	<b>42.79</b>
Less: Finance Cost	5.18	10.58
Less: Depreciation and amortization expenses	221.21	25.85
<b>Profit / (Loss) before Tax and Exceptional item</b>	<b>(61.20)</b>	<b>6.36</b>
Add: Exceptional Items	-	-
<b>Profit / (Loss) before Tax</b>	<b>(61.20)</b>	<b>6.36</b>
Less: Tax	(13.29)	5.22
<b>Profit / (Loss) for the period</b>	<b>(47.91)</b>	<b>1.14</b>
Other comprehensive income/(Expenses)[net of tax]	-	-
Items that will not be reclassified to Profit or (Loss), net of tax	7.26	5.18
<b>Total comprehensive income/(Expenses) for the period</b>	<b>(40.65)</b>	<b>6.32</b>
Add: Balance brought forward from previous year	14.73	98.41
<b>Profit available for appropriation</b>	<b>(25.92)</b>	<b>104.73</b>
Transfer to General Reserve	-	-
Transfer to Debenture Redemption Reserve	-	-
Excess Losses pertaining to minority	-	-
Dividend on Equity Shares	-	-
Tax on Dividend	-	-
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-
Less: Issue of Bonus Share	-	(90.00)
<b>Balance carried over to Balance Sheet</b>	<b>(25.92)</b>	<b>14.73</b>

Note: The figures for the previous periods have been regrouped / recasted, wherever necessary, to make them comparable with the figures for the current periods.

## 2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Software has become an integral part of our lives. Your Company's vision is to be the most sought-after enterprise service provider in the tech market and deliver solutions in the most critical business areas. The Company aims to consistently deliver cost-efficient and effective solutions through IT for the global market by creating a professional environment for our talent, stakeholders, and clients.

Operational revenues increased to Rs. 2,059.49 Lakhs, against Rs. 1,086.66 Lakhs in the previous year – a growth of 89.5%. EBITDA margin was at 8 % in FY21 from 3.94 % in FY20 on account of operating leverage achieved on growing scale and improvement in resource utilization levels. The Profit/(loss) after tax for the period is Rs. (47.91) Lakhs against Rs. 1.14 Lakhs in the previous year.

## 3. SCHEME OF ARRANGEMENT AND LISTING OF SHARES

During the year, the Hon'ble National Company Law Tribunal, Ahmedabad Bench has, vide its order dated November 27, 2020, sanctioned the Composite Scheme of Arrangement amongst Infibeam Avenues Limited ('Infibeam'), Suvidhaa Infoserve Limited ('Suvidhaa'), DRC Systems India Limited ('DRC') and NSI Infinium Global Limited ('NSI') and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") ('Scheme') leading to inter-alia, transfer and vesting of Theme park & Event Software Undertaking from Infibeam to DRC w.e.f. April 01, 2020 i.e. the Appointed Date.

Aforesaid order of NCLT is available at Company's website at <https://www.drcsystems.com/investor-relations>.

The Scheme became effective upon filing of certified copy of the order with the Registrar of Companies (RoC) on December 02, 2020. The Record Date was set as December 11, 2020 for the purpose of determining the eligible shareholders of Infibeam Avenues Limited for issuance of Equity Shares of DRC pursuant to the Scheme. Subsequently, the Equity Shares of DRC have been listed and admitted for trading on both the Stock Exchanges i.e. BSE Limited via Scrip Code: 543268 and National Stock Exchange of India Limited, via Symbol: DRCSYSTEMS w.e.f. March 10, 2021.

## 4. COVID-19

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. During the First quarter of the year, your Company had to temporarily suspend operations as per the directives of the Government, keeping in mind the paramount need of safety of the employees. The Company has set up a core team to monitor the situation closely and staying in constant touch with the local authorities, sharing timely updates with the global employee base, to enabling the near-seamless transition to the remote mode of work – the Company scaled up its efforts quickly and restored normalcy of operations.

The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees, the Company has implemented safety systems with appropriate training to staff and also arranged the facility of stretching and floor exercise for employees to boost their immunity. The Company is supporting various Government Initiatives to fight the pandemic. Employee wellbeing checks are conducted frequently by sanitization, social distancing, regular fumigation of offices, mandatory mask wearing, thermal check of temperature and maintaining proper hygiene for avoiding any infection due to Covid-19.

## 5. CHANGE IN SHARE CAPITAL

During the year under review, pursuant to the sanction of the Scheme by the Hon'ble National Company Law Tribunal, Ahmedabad bench, vide order dated November 27, 2020 and the Scheme becoming effective from December 02, 2020 ('Effective Date') upon filing of the said order with the Registrar of Companies, Ahmedabad by Infibeam, Suvidhaa, DRC and NSI, DRC had allotted 16,15,356 Equity shares in the ratio of 1 (One) Equity Share of Rs. 10/- (Rupees Ten Only) each of DRC Systems India Limited 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 Avenues Limited in accordance with the Scheme, to the Equity Shareholders of the Infibeam Avenues Limited whose name appears in the Register of Members and records of the depository as on December 11, 2020 i.e. Record Date in Demat Form only.

Accordingly, the Paid Up Share Capital of the Company has increased from ₹ 2,25,00,000 to ₹ 3,86,53,560.

## 6. PUBLIC DEPOSITS

During the year, the Company has not accepted Deposits from the public falling within the ambit of Section 73 read with Companies (Acceptance of Deposits) Rules, 2014 made under Chapter V of the Act and any other provision of the Act, read with rules made there under.

## 7. DIVIDEND

During the year under review, no distributable profit is available and hence the Board of Directors does not recommend any dividend for the Financial Year 2020-21.

## 8. TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the general reserves.

## 9. CHANGE IN THE NATURE OF BUSINESS

Basic nature of business of the Company remains same and there is no change in business. However, pursuant to the scheme of arrangement, the Company has altered the Clause III(A) (Object clause) of its Memorandum of Association, post the transfer of the Themepark and Event Software Undertaking from Infibeam.

## 10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

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

## 11. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return on its website at <https://www.drccsystems.com/investor-relations>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

## 12. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Composition of Board of Directors of the Company is

in consonance with Regulation 17 of the Listing Regulations, wherein it is mentioned to have an optimum combination of Executive and Non-Executive directors.

Mr. Hiten Barchha was re-designated from the position of Executive Director to the position of Managing Director w.e.f. November 09, 2020, approved in the Extra Ordinary General Meeting held on November 25, 2020. On the recommendation of Nomination and Remuneration Committee, Mr. Keyur Shah, Mr. Jigar Shah, Mr. Roopkishan Dave were appointed as an Additional Non-Executive Independent Director and Mr. Sanket Khemuka was appointed as an Additional Non-Executive Director of the Company in the meeting of Board of Directors held on December 05, 2020 to hold office upto the ensuing Annual General Meeting of the Company. Further, in the same meeting, Mr. Vishal Mehta and Mr. Nitesh Anghan resigned as Directors and Mr. Keyur Shah was designated as the Chairman of the Company. Mr. Jainam Shah was appointed as the Company Secretary and Compliance Officer of the Company and Mr. Janmaya Pandya was appointed as the Chief Financial Officer of the Company in same board meeting held on December 05, 2020.

Ms. Dipti Chitale, on recommendation of Nomination and Remuneration Committee was appointed as the Additional Non-Executive Independent Director in the meeting of Board of Directors held on December 10, 2020 to hold office upto the ensuing Annual General Meeting of the Company.

Mr. Janmaya Pandya, Chief Financial Officer of the Company, on recommendation of Nomination and Remuneration Committee was appointed as the Additional Executive Director in the meeting of Board of Directors held on January 06, 2021 to hold office upto the ensuing general meeting of the Company.

Mr. Hiten Barchha (Managing Director), Mr. Jainam Shah (Company Secretary and Compliance Officer) and Mr. Janmaya Pandya (Executive Director and Chief Financial Officer) are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time

being in force).

Brief details of the directors proposed to be appointed as required under Regulation 36 of the Listing Regulations are provided in the Notice of the AGM.

Therefore, as on March 31, 2021, the Board of Directors of the Company comprised of 7 Directors.

### **13. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act and under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). They have registered their names in the Independent Directors data-bank. They have also affirmed compliance to the Conduct for Independent Directors as prescribed in Schedule IV of the Act. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and Listing Regulations and are independent of the management.

### **14. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **15. FAMILIARIZATION PROGRAMME**

The details of the familiarization programme undertaken during the year have been provided in the Corporate Governance Report.

### **16. BOARD MEETINGS HELD DURING THE YEAR**

The Board met twelve (12) times during the Financial Year 2020-21. The meeting details are provided in the Corporate governance report that forms part of this Annual Report.

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

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as on March 31, 2021, are given in the Notes to the financial statements, which forms a part of this Annual Report.

### **18. PARTICULARS OF RELATED PARTIES TRANSACTIONS**

With reference to Section 134(3)(h) of the Act, all the Related Party Transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. Prior omnibus approval was obtained on a yearly basis for the transactions which were of a foreseeable and repetitive nature and the same were further executed on arm's length basis and in the ordinary course of business. Further, a statement giving

details of all Transactions executed with Related Parties is placed before the Board of Directors on a quarterly basis for its approval/ ratification as the case may be. All the transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations. Further, there were no materially significant related party transactions that may have potential conflict of interests of the Company at large. Further, there were no materially significant related party transactions that may have potential conflict of interests of the Company at large.

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

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

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

#### i. Conservation of Energy

Steps taken or Impact on Conservation of Energy:

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

1. Usage of LED lights at office spaces that are more energy efficient.
2. Regular monitoring of temperature inside the office premises and controlling the Air Conditioning system.
3. Optimised cooling within data center facility to operate within permissible temperature range of IT equipments.
4. PACs are deployed in shifts and groups to improve efficiency and life of equipments.
5. Rationalisation of usage of electricity

#### 6. Planned preventive maintenance

#### ii. Technology Absorption

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

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

#### iii. Foreign Exchange earnings and outgo

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

Particulars	(Rs. in Lakhs)	
	Financial Year 2020-21	Financial Year 2019-20
Earning in Foreign Currencies	1,168.98	932.66
Expenditure in Foreign Currencies	-	-

### 20. NOMINATION & REMUNERATION POLICY OF THE COMPANY

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

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

### 21. BOARD EVALUATION

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The annual performance evaluation of the Board, its Committees and each Director has been carried out for the Financial Year 2020-21 in accordance with the

framework. The details of evaluation process of the Board, its Committees and individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

## 22. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

## 23. CORPORATE GOVERNANCE REPORT

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

## 24. COMMITTEES OF THE BOARD

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

## 25. AUDITORS

### i. Statutory Auditors:

M/s Rajpara Associates, Chartered Accountants, (Firm Registration No. 113428W) were appointed as the Statutory Auditors at the 5<sup>th</sup> Annual General Meeting of the members of the Company held on September 20, 2017, for a period of five (5) years to hold office till the conclusion of the 10<sup>th</sup> Annual General Meeting.

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

## Statutory Auditors' Report

During the period under review, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143 (12) of the Act.

The Auditors' Report is enclosed with the financial statements forming a part of this Annual Report.

### ii. Secretarial Auditor:

In terms of Section 204 of the Act and rules made thereunder, the Board has appointed Mr. Jitendra Leeya, Practicing Company Secretary, as the Secretarial Auditor to conduct an audit of the secretarial records, for the Financial Year 2020-21.

## Secretarial Audit Report

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

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

## 26. PARTICULARS OF EMPLOYEES

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

The statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

## 27. VIGIL MECHANISM

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

## 28. INTERNAL FINANCIAL CONTROLS

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

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

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under the policy. No complaint has been received by the Company under this Policy during the year 2020-21. The Company is committed to provide a safe and conducive work environment to all its employees and associates.

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

## 30. CODE OF CONDUCT

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

## 31. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

## 32. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

## 33. LISTING FEES

The Company affirms that the annual listing fees for the year 2021-22 has been paid to the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).

## 34. OTHER DISCLOSURES

- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- The Audit Committee comprises namely of Mr. Jigar Shah (Chairman), Mr. Keyur Shah, Mr. Roopkishan Dave and Mr. Hiten Barchha, members. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board;
- The Company has not issued Equity Shares with differential rights as to dividend voting or otherwise;

- The Company has not issued any Sweat Equity Shares to its directors or employees.

### 35. ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the contributions made by all employees towards the success of your Company more particularly ensuring business as usual in spite of Covid-19 impact.

The Directors regret the loss of lives due to Covid-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight against this pandemic.

**Place :** Gandhinagar

**Date:** August 27, 2021

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

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

For and on behalf of Board of Directors

**Keyur Shah**

Chairman

**[DIN: 03111182]**



## ANNEXURE - A

## REPORT ON CORPORATE GOVERNANCE

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") for the Financial Year ended on March 31, 2021 is given herein below:

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

- Compliance of law, rules and regulations in true letter & spirit;
- Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law;
- Appropriate systems and practices to protect, promote and safeguard the interests of all its stakeholders;
- Establishing a climate of trust and confidence among various stakeholders by means of transparent and timely disclosure of all material information;
- Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organization; and
- Embracing a trusteeship model in which the management is the trustee of the Shareholders' capital.

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

The Shares of the Company were listed with BSE Limited and the National Stock Exchange of India Limited on March 10, 2021 and consequently the Company has become a listed entity.

### BOARD OF DIRECTORS

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

the fact that the Board balances several deliverables, achieves sound corporate governance objectives in a promoter owned organisation and acts as a catalyst in creation of stakeholder value.

#### A. Composition of the Board:

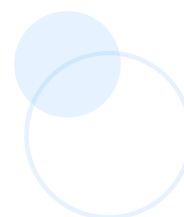
The Company has a very balanced and diversified Board of Directors. The Composition of the Board primarily takes care of the business needs and Stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and highly renowned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

As per requirement of the Listing Regulations, the Board Structure of the Company maintains an optimum combination of Executive, Non-Executive Directors with at least one Woman (Independent) Director and half of the Board of Directors comprising of Independent Directors. The Composition of the Board is in conformity with the Listing Regulations. As on March 31, 2021, our Board comprises of seven members, consisting of one Non-executive and Independent Chairman, two Executive Directors including one Managing Director, one Non-Executive Director and three Independent Directors including one-woman Independent Director. The Board periodically evaluates the need for change in its size and composition.

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

#### B. Directors' Directorships/Committee memberships

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign Companies and Companies under Section 8 of the Companies Act, 2013 or acts as a Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further, all Directors have informed about their Directorships, Committee Memberships/ Chairmanships, including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2021 are given below:



Name of Directors	Category	No. of Board Meeting held and attended during the year		No. of Directorship in other Public Com-pany*	No. of Directorship in other Companies		Attendance at the last AGM held on 29-09-2020 Yes / No	Directorship in other listed entity (Category of Directorship)
		Held	Attended		Chairman	Member		
Mr. Keyur Shah DIN: 03111182	Non-Executive Independent Chairman	04	04	0	0	0	NA	-
Mr. Hiten Barchha DIN: 05251837	Promoter/ Managing Director	09	09	0	0	0	Yes	-
Mr. Yogesh Sutariya DIN: 06716290**	Executive Director	01	0	0	0	0	NA	-
Mr. Malav Mehta DIN: 01234736**	Non-Executive Director	03	03	01	0	0	NA	-
Mr. Nitesh Anghan DIN: 03360032**	Non- Executive Independent Director	08	01	0	0	0	No	-
Mr. Vishal Mehta DIN: 03093563**	Non-Executive Director	08	08	06	0	01	Yes	1. Infbeam Avenues Limited (Managing Director)
Mr. Janmaya Pandya DIN: 09019756	Executive Director	01	01	0	0	0	NA	-
Mr. Sanket Khemuka DIN: 06910440	Non - Executive Director	04	04	0	0	0	NA	-
Mr. Roopkishan Dave DIN: 02800417	Non-Executive Independent Director	04	01	02	0	02	NA	1. Infbeam Avenues Limited (Non-Executive Independent Director)
Mr. Jigar Shah DIN : 08174430	Non-Executive Independent Director	04	04	0	0	0	NA	-
Ms. Dipti Chitale DIN: 08991506	Non-Executive Independent Director	03	03	0	0	0	NA	-

\* The Directorship held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies, which were not the subsidiaries of Public Limited Companies. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 2(61)(b) of SEBI Listing Regulations.

\*\*Ceased to be Director as on March 31, 2021 (Mr. Yogesh Sutariya - April 01, 2020, Mr. Malav Mehta - June 08, 2020, Mr. Niteshbhai Anghan - December 05, 2020, Mr. Vishal Mehta - December 05, 2020)

## NOTES:

1. Mr. Keyur Shah, Mr. Roopkishan Dave, Mr. Jigar Shah have been appointed as Non-Executive Independent Director of the Company w.e.f. December 05, 2020.
2. Mr. Sanket Khemuka has been appointed as a Non-Executive Director w.e.f. December 05, 2020.
3. Dipti Chitale has been appointed as Non -Executive Independent Director of the Company w.e.f. December 10, 2020.
4. Mr. Janmaya Pandya has been appointed as an Executive Director of the Company w.e.f. January 06, 2021.

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

### C. Number of Board Meetings:

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

During the Financial Year 2020-21, 12 (Twelve) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the Meeting with the approval of the Board.

The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held			
April 01, 2020	June 01, 2020	June 08, 2020	August 28, 2020
October 07, 2020	November 09, 2020	November 28, 2020	December 05, 2020
December 10, 2020	December 15, 2020	January 06, 2021	February 10, 2021

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

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

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

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

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

## E. The shareholding of the Directors of your Company as on March 31, 2021

No.	Name of Directors	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
1.	Mr. Keyur Shah	Non-Executive Independent Chairman	NIL	NIL
2.	Mr. Hiten Barchha	Managing Director / Promoter	89,891	2.33
3.	Mr. Janmaya Pandya	Executive Director	7	0.00
4.	Mr. Sanket Khemuka	Non-Executive Director	NIL	NIL
5.	Mr. Roopkishan Dave	Non-Executive Independent Director	1	0.00
6.	Mr. Jigar Shah	Non-Executive Independent Director	NIL	NIL
7.	Ms. Dipti Chitale	Non-Executive Independent Director	NIL	NIL

The Company has not issued any convertible instruments to any Directors of the Company during the Financial Year 2020-21.

## F. Evaluation of the Board Effectiveness:

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the Financial Year 2020-21.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. The parameters of the performance evaluation process for Directors, inter alia, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the

Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging fiduciary and governance duties and performance of specific duties. The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc.

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

The Board of Directors at its meeting held on February 10, 2021, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

#### G. Independent Directors:

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

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

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

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

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

#### H. Independent Director databank registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Directors in this regard.

#### I. Independent Directors' Meeting:

To comply with the provisions of Schedule IV of the Act read with Regulation 25 of SEBI (LODR) Regulations, the Independent Directors met once during the Financial Year 2020-21 on February 10, 2021, without the presence of Non-Independent Directors and members of the management team and inter-alia reviewed:

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

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

#### J. Familiarisation Programme:

The Company conducts Familiarization Programme for the Independent Directors to enable them to be familiarized with the Company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading. They are provided a platform to

interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole.

Further, on an ongoing basis, Independent Directors are regularly updated in the Board Meetings on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities

of the Independent Directors under various statutes and other relevant matters. As a process when a new Director is appointed, a familiarization programme is conducted by the senior management team and whenever a new member is appointed to a Board Committee, information relevant to the functioning of the Committee and the role and responsibility of Committee members is informed.

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

**K. Key Board qualifications, expertise and attributes:**

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

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

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

Name of Directors	Area of skills/expertise/ competencies				
	Global Business	Leadership	Governance	Strategy and Planning	Business Development
Mr. Keyur Shah	√	√	√	√	√
Mr. Hiten Barchha	√	√	√	√	√
Mr. Janmaya Pandya	√	√	√	√	√
Mr. Sanket Khemuka	√	√	√	√	√
Mr. Rookishan Dave	√	√	√	√	√
Mr. Jigar Shah	√	√	√	√	√
Ms. Dipti Chitale	√	√	√	√	√

**Notes:** Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

## COMMITTEES OF THE BOARD

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

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

As on March 31, 2021, the Board had the following Committees :-

1. Audit Committee.
2. Stakeholders' Relationship Committee.
3. Nomination & Remuneration Committee.

### 1. AUDIT COMMITTEE:

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

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Committee was constituted on December 05, 2020.

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

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the Financial Year ended March 31, 2021 is detailed below:



No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended
1.	Mr. Jigar Shah	Non -Executive Independent Director	Chairman	01	01
2.	Mr. Keyur Shah	Non -Executive Independent Director	Member	01	01
3.	Mr. Roopkishan Dave	Non -Executive Independent Director	Member	01	01
4.	Mr. Hiten Barchha	Managing Director	Member	01	01

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

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

Date on which meeting was held	February 10, 2021
--------------------------------	-------------------

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

A) Scope and functions:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing with the Management, the financial statements of subsidiaries and in particular the investments made by each of them;
8. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;
9. Approval or any subsequent modifications of transactions of the Company with related parties;
10. Scrutinising of inter-corporate loans and investments;
11. Valuing of undertakings or assets of the Company, wherever it is necessary;
12. Evaluating of internal financial controls and risk management systems;
13. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
14. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussing with internal auditors on any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. Reviewing the functioning of the whistle blower mechanism;
21. Review and approve, policy formulated for determination of material subsidiaries;
22. Review and approve, policy on related party transactions and also dealing with related party transactions;
23. Approving the appointment of the Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.
25. Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

**B) Power of Audit Committee:**

The powers of the Audit Committee shall include the following:

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

**C) Reviewing Powers:**

The Audit Committee shall mandatorily review the following information:

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

**2. STAKEHOLDERS’ RELATIONSHIP COMMITTEE:**

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

The Stakeholders’ Relationship Committee has 3 Members comprising of all Non-Executive Independent Directors. The Committee was constituted on December 05, 2020.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2020-21 is detailed below:

No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended
1.	Mr. Keyur Shah	Non-Executive Independent Chairman	Chairman	01	01
2.	Mr. Roopkishan Dave	Non-Executive Independent Director	Member	01	01
3.	Mr. Jigar Shah	Non –Executive Independent Director	Member	01	01

Date on which meeting was held	February 10, 2021
--------------------------------	-------------------

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

#### Investor Grievance Redressal:

Details pertaining to the number of complaints received and responded and the status thereof during the Financial Year 2020-21 are given below:

Nature of Complaints	Complaints received	Complaints resolved
Non receipt of certificates lodged for Transfer / Transmission, issue of Duplicate Shares	0	0
Non-receipt of dividend warrants	0	0
Non-receipt of annual report	0	0
Dematerialization /Rematerialization of shares	0	0
Others	0	0

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend all the grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Minutes of the Stakeholders Relationship Committee Meetings are reviewed by the Board of Directors at the subsequent Board Meeting from the date of the Committee meeting.

### 3. NOMINATION AND REMUNERATION COMMITTEE:

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

The Nomination and Remuneration Committee of the Company comprises of 4 Directors comprising of 3 Non-Executive Independent Directors and 1 Non-Executive Non-Independent Director. The Committee was constituted on December 05, 2020.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2020-21 is detailed below:

No.	Name of Members	Category	Nature of Membership	Meeting (s) Details	
				Held	Attended
1.	Mr. Roopkishan Dave	Non-Executive Independent Director	Chairman	03	01
2.	Mr. Jigar Shah	Non-Executive Independent Director	Member	03	03
3.	Mr. Keyur Shah	Non-Executive Independent Director	Member	03	03
4.	Mr. Sanket Khemuka	Non-Executive Director	Member	03	03

Date(s) on which meeting(s) were held		
December 10, 2020	January 06, 2021	February 10, 2021

The Company Secretary acts as a Secretary to the Committee.

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

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Recommending the Board, remuneration payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other regulations;
11. Suggesting to Board/ shareholder's changes in the Employee Stock Option Plan (ESOP) and Stock Appreciation Rights (SAR), if any
12. Deciding the terms and conditions of ESOP and SAR;
13. Performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.
14. Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

#### **Nomination and Remuneration Policy:**

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

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

#### **Performance Evaluation:**

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

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

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

The performance evaluation process for the Financial Year 2020-21 has been completed.

**Remuneration to Directors:****(i) Executive Director**

The details of remuneration including commission to all Executive Directors for the year ended on March 31, 2021 are as follows and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013.

(Rs. In Lakhs)

Name and designation	Service Contracts / Notice Period	Salary	Commission	Provident Fund	Perquisites and other allowances	Stock options
Mr. Hiten Barchha (Managing Director)	Appointed w.e.f November 09, 2020 till November 08, 2023	48.74	0	0	0	0
Mr. Janmaya Pandya (Executive Director and Chief Financial Officer)	Appointed w.e.f January 06, 2021 till January 05, 2024	5.75	0	0	0	0

**(ii) Non-Executive Directors:**

No sitting fees has been paid to Non-Executive Directors for the Financial Year 2020-21.

There are no pecuniary relationships or transactions between the Non-Executive Independent Directors and the Company. The Company has not granted any stock options to its Directors during the Financial Year 2020-21.

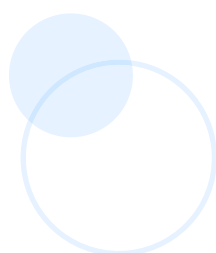
**SUBSIDIARY COMPANIES**

As on March 31, 2021, Your Company does not have a material subsidiary Company in terms of Regulation 16 of the Listing Regulations.

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

**GENERAL BODY MEETINGS**

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



Financial Year	Date	Time	Venue	Whether any Special Resolution Passed
2017-18	September 27, 2018	11.00 a.m.	24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar – 382 355	No
2018-19	August 16, 2019	11.00 a.m.	24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar – 382 355	Yes <b>Special Resolutions:</b> 1. Conversion from Private Company to a Public Company. 2. Alteration of Name Clause contained in the Memorandum of Association. 3. Adoption of new set of Articles of Associations as per Companies Act, 2013.
2019-20	September 29, 2020	11.00 a.m.	24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar – 382 355	Yes <b>Special Resolutions:</b> 1. Approval for increase in the limits of inter corporate loans/ investments/ guarantee etc. under Section 186 of The Companies Act, 2013 2. Approval for increase in the limits of creation of charge/ mortgage under section 180 (1) (a) of The Companies Act, 2013. 3. Approval for increasing in the limits of borrowing power under section 180 (1) (c) of The Companies Act, 2013.

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

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

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

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

## MEANS OF COMMUNICATION

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large. The details of the means of communication with shareholders/ analysts are given below:

**1. Publication of quarterly results:**

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



**2. New Releases and Presentations to institutional investors / analysts:**

Official news releases, press releases and presentations are made to institutional investors and financial analysts on the Company's quarterly, half - yearly as well as annual financial results. These press releases, presentations and schedule of analyst or institutional investors meet are also put on the Company's website and can be accessed at [www.drccsystems.com](http://www.drccsystems.com) as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.

**3. Website:**

The Company's website, [www.drccsystems.com](http://www.drccsystems.com), contains a separate dedicated section 'Investor Desk' where Shareholders' information is available.

**4. Annual Report:**

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

**5. Stock Exchange:**

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

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

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

**7. SEBI Complaints Redress System (SCORES):**

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

**8. Exclusive email ID for investors:**

The Company has designated the email id [ir@drccsystems.com](mailto:ir@drccsystems.com) exclusively for investor servicing.

**GENERAL SHAREHOLDER INFORMATION****(i) Company Registration Details:**

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

**(ii) Annual General Meeting:**

Date : September 28, 2021

Day : Tuesday

Time : 10.00 a.m.

Place : Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and as such there is no requirement to have a venue for the AGM. For more details please refer to the Notice of this AGM.

**(iii) Financial Calendar:**

Financial Year : April 01 to March 31  
Tentative Schedule for declaration of results during the Financial Year 2021-22  
First Quarter : Mid-August, 2021  
Second Quarter and Half yearly : Mid-November, 2021  
Third Quarter and Nine Months : Mid-February, 2022  
Fourth Quarter and Annual : End May, 2022

**(iv) Book Closure :** Tuesday, September 21, 2021 to Tuesday, September 28, 2021 (both days inclusive)

**(v) Dividend Payment Date :** Not Applicable as the Board did not recommend any dividend for the Financial Year

**(vi) Listing on Stock Exchanges:**

No.	Name of Stock Exchange(s)	Stock Code (s)	ISIN for Depositories
1	<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	543268	INE03RS01019
2	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	DRCSYSTEMS	

Your Company has paid the listing fees to BSE and NSE for the Financial Year 2021-22.

**(vii) Market Price Data:**

The Equity Shares of the Company have been admitted for listing and trading w.e.f March 10, 2021. The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended March 31, 2021 are as under:

No.	BSE			BSE SENSEX		NSE			NSE (NIFTY)	
	High (In Rs.)	Low (In Rs.)	Volume (No. of Shares)	High (In Rs.)	Low (In Rs.)	High (In Rs.)	Low (In Rs.)	Volume (No. of Shares)	High (In Rs.)	Low (In Rs.)
2021										
March	278.55	128.75	7,093	51821.84	48236.35	292.65	128.80	1,42,205	15336.30	14264.40

(Source: BSE and NSE website)

Note: Since the Company got listed on BSE Limited and National Stock Exchange of India Limited on March 10, 2021, performance of the Company's share price cannot be compared with respective index of the exchanges.

**(viii) In case the securities of the Company are suspended from trading, the reasons thereof**

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

**(ix) Registrars & Transfer Agent**

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

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

**(x) Share Transfer System:**

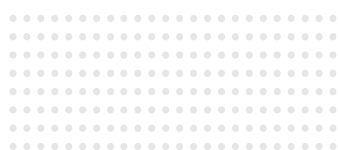
To expedite the transfer of shares held in physical mode the powers to authorise transfers have been delegated to specified officials of the RTA and Company. The transfers which are complete in all respects are taken up for approval generally every seven days and the transferred securities dispatched to the transferee within fifteen days. The details of transfers / transmission approved by the delegates, if any are noted by the Stakeholders Relationship Committee at its next meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

The Securities and Exchange Board of India has mandated transfer of securities (except in case of transmission or transposition of securities) only in dematerialized form with effect from April 1, 2019, barring certain instances. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

In case of Shares in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

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

SEBI in its circular having reference no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020 had clarified that the transfer deeds lodged prior to deadline of April 01, 2019 and rejected / returned due to deficiency in the documents may be re-lodged with requisite documents, however, the SEBI in the same circular had mentioned March 31, 2021 as the cut-off for the re-lodgements of transfer deeds, the requests received in this behalf from the Shareholders before the cut-off, would have been honoured only if the securities were in dematerialised mode.



(xi) Distribution of Shareholding as on March 31, 2021:

Shareholding (No. of Shares)	No. Share Holders		No. Shares	
	Number	% of Total	Shares	% of Total
Upto - 500	8,299	97.61	1,15,123	2.98
501 - 1000	77	0.91	53,910	1.39
1001 - 2000	47	0.55	62,103	1.61
2001 - 3000	15	0.18	35,771	0.93
3001 - 4000	4	0.05	14,360	0.37
4001 - 5000	7	0.08	32,451	0.84
5001 - 10000	19	0.22	1,30,187	3.37
10001 and above	34	0.40	34,21,451	88.52
<b>Total</b>	<b>8,502</b>	<b>100</b>	<b>38,65,356</b>	<b>100</b>

(xii) Category of Shareholders as on March 31, 2021:

Category	No. of Shares held	% of Shareholding
Promoters & Promoter's group	11,03,395	28.55
Foreign Institutional Investors	1,30,466	3.38
Mutual Funds	0	0.00
Bodies Corporate	13,84,486	35.82
NRI	25,758	0.67
Individual	11,29,900	29.22
HUF	66,473	1.72
Clearing Member	24,864	0.64
Trust	14	0.00
NBFCs registered with RBI	0	0.00
Employee Benefit Trust	0	0.00
<b>Total</b>	<b>38,65,356</b>	<b>100.00</b>

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

Your Company has not allotted GDRs/ADRs/Warrants or any Convertible Instruments for the Financial Year 2020-21.

**(xiv) Dematerialisation of Shares and Liquidity:**

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

100 % Equity Shares have been dematerialised as on March 31, 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE03RS01019.

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

**(xv) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable****(xvi) Plant Locations: Not Applicable****(xvii) Address for Correspondence:**

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

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

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

DRC Systems India Limited  
CIN: L72900GJ2012PLC070106  
24th Floor, GIFT Two Building, Block No. 56, Road - 5C, Zone - 5, GIFT CITY, Gandhinagar,  
Taluka & District - Gandhinagar - 382 355 Gujarat, India  
Tel: +91 79 6777 2222  
E-mail: [ir@drcsystems.com](mailto:ir@drcsystems.com) Website: [www.drcsystems.com](http://www.drcsystems.com)

Compliance Officer: Mr. Jainam Shah, Company Secretary

**(xviii) Credit Ratings:**

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the Financial Year ended March 31, 2021.

## OTHER DISCLOSURES

### (i) Related Party Transactions:

There is no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during F.Y. 2020-21 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

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

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

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

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

### (iv) Whistle Blower Policy:

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

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

### (vi) Adoption of Mandatory and Non-Mandatory Requirements

The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations. The Company has adopted following non-mandatory requirements of Regulation 27 and Regulation 34 of the Listing Regulations:

- a. The Chairman of the Company is a Non-Executive Independent Director.
- b. Internal Auditors make direct presentation to the Audit Committee on their Reports.
- c. The auditors' reports on statutory financial statements of the Company are with unmodified opinion.
- d. The quarterly and half-yearly financial results for FY 2020-21 of the Company are not being sent to the shareholders, since the Company got listed on March 10, 2021 on the stock exchanges, however the Annual Financial Results are published in the Newspapers and also posted on the Company's website i.e. [www.drccsystems.com](http://www.drccsystems.com). The same are also available on the websites of stock exchanges where the shares of the Company are listed i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

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

**(viii) Certificate from Practicing Company Secretary:**

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

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

Not Applicable

**(x) Remuneration to Statutory Auditors:**

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

Type of Services	Amount (Rs. in Lakhs)
Statutory Audit Fee	1.35
Other Services	0.88
<b>Total</b>	<b>2.23</b>

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

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition

and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The policy is also available on the website of the Company <https://www.drcsystems.com/policies>.

**(xii) The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2020-21 are as under:**

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

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

**(xiii) Code of Conduct for Prevention of Insider Trading:**

The Board has adopted a code for the Prevention of Insider Trading in the securities of the Company. The Code inter alia requires pre-clearance from Designated Persons for dealing in the securities of the Company as per the criteria specified therein and prohibits the purchase or sale of securities of the Company by Designated Persons while in possession of Unpublished Price Sensitive Information in relation to the Company besides during the period when the trading window is closed.

**(xiv) Code of Conduct:**

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

**(xv) Reconciliation of Share Capital Audit:**

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

**(xvi) CEO/CFO Certification:**

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the Financial Year 2020-21 signed by Mr. Hiten Barchha, Managing Director and Mr. Janmaya Pandya, Executive Director & Chief Financial Officer was placed before the Board of Directors of the Company at its meeting held on May 14, 2021.

**(xvii) Annual Secretarial Compliance Report:**

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

The Company has submitted the Annual Secretarial Compliance Report to the stock exchanges.

**(xviii) Equity Shares in the Suspense Account:**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V of SEBI Listing Regulations, details of Equity Shares lying (arising out of allotment made to the Equity Shareholders of Infibeam Avenues Limited on December 15,

2020 in the ratio of 412:1 pursuant to the Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its order dated November 27, 2020) in the suspense account are as follows:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	20	1,559
Shareholders who approached the Company for transfer of shares from suspense account during the year	00	00
Shareholders to whom shares were transferred from the suspense account during the year	00	00
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	00	00
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	20	1,559

The Company has transferred Unclaimed Equity Shares pursuant to the Scheme of Arrangement, to the Shareholders' demat a/c (Whosoever has claimed), as per the below mentioned details:

No.	Date of credit in the Shareholder's Account	No of Equity Shares Underlying in the Suspense Account
1	25-08-2021	48
2	25-08-2021	04



**(xix) Others:****A. Non-resident shareholders:**

Non-resident shareholders are requested to immediately notify:

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

**B. Updation of shareholders details:**

1. Shareholders holding shares in physical form are requested to notify the changes to the Company/ its RTA, promptly by a written request under the signatures of sole/first joint holder; and
2. Shareholders holding shares in electronic form are requested to send their instructions directly to their DPs.

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

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

**E. Email Id registration:**

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

## DECLARATION

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed the compliance with the provisions of the code of conduct for the year ended on March 31, 2021.

**Place :** Gandhinagar

**Date:** August 27, 2021

**Keyur Shah**

Chairman

[DIN: 03111182]

**COMPLIANCE CERTIFICATE**

To,  
The Board of Directors  
DRC Systems India Limited  
Gandhinagar.

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

- A. We have reviewed financial statements and the cash flow statement for the Financial Year ended on March 31, 2021 and that to the best of our knowledge and belief:
  - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year 2020-21, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that:
  - 1. There has not been any significant change in internal control over financial reporting during the year;
  - 2. There has not been any significant change in accounting policies during the year; and

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

**Place :** Gandhinagar

**Date:** May 14, 2021

**Hiten Barchha**

*Managing Director*

**Janmaya Pandya**

*Chief Financial Officer*

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of  
**DRC SYSTEMS INDIA LIMITED**  
{CIN: L72900GJ2012PLC070106}  
Gandhinagar

We have examined the compliance of conditions of Corporate Governance by **DRC SYSTEMS INDIA LIMITED**, for the year ended 31st March, 2021, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us along with documents & submissions for regulatory compliances provided for our verification in electronic form in online system due to lockdown on account of COVID 19 and representation made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Moreover, as per information provided by the Company and declarations provided by the directors, in terms of schedule V, Part C, Clause (10) (i), we further state that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority.

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

**Date:** August 27, 2021

**Place :** Ahmedabad

**Sign:** \_\_\_\_\_

**ASHISH C DOSHI,**  
PARTNER SPANJ & ASSOCIATES  
Company Secretaries  
FCS No.: F3544  
COP No.: 2356  
P R Certi No. : 702/2020  
UDIN : F003544C000840688

## ANNEXURE - B

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of  
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DRC SYSTEMS INDIA LIMITED (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in the electronic form in the online system in view of the COVID-19 pandemic and the prevailing situation in the country, during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 has complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure - A for the Financial Year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits ) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 2018;

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement entered into by the Company with the Stock Exchange(s) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (vi) We further report that having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof made available to us in electronic form, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other sector specific laws. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year under review, Mr. Yogesh Sutariya (DIN: 06716290) resigned from the post of Director and Mr. Nitesh Anghan (DIN: 03360032) was appointed as an Additional Independent Director of the Company w.e.f. 01st April, 2020. Mr. Hiten Barchha (DIN: 05251837) was appointed as an Additional Executive Director of the Company and Mr. Malav Mehta (DIN: 01234736) resigned from the post of Director of the Company w.e.f. 08th June, 2020. Mr. Hiten Barchha (DIN: 05251837) was appointed as Managing Director of the Company w.e.f. 09th November, 2020 for period of three (3) years. Mr. Sanket Khemuka (DIN: 06910440) was appointed as an Additional Non-Executive Director, Mr. Keyur Shah (DIN: 03111182), Mr. Roopkishan Dave (DIN: 02800417) and Mr. Jigar Shah (DIN: 08174430) were appointed as Additional Independent Director of the Company whereas Mr. Nitesh Anghan (DIN: 03360032) resigned from the post of Independent Director and Mr. Vishal Mehta (DIN: 03093563) resigned from the post of Director w.e.f. 05th December, 2020. Further Mr. Jainam Shah was appointed as a Company Secretary/Compliance Officer and Mr. Janmaya Pandya as a Chief Financial Officer of the Company w.e.f. 05th December, 2020. Ms. Dipti Chitale was appointed as an Additional Independent Director of the Company (DIN: 08991506) w.e.f. 10th December, 2020. Mr. Janmaya Pandya (DIN: 09019756) was also appointed as an Additional Executive Director of the Company w.e.f. 6th January, 2021.

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

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

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

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

- During the year under review, Company had adopted New set of Memorandum of Association and Articles of Association, as per the requirement of the Companies, Act, 2013 in Extra Ordinary General Meeting held on 25th November, 2020.
- During the year under review, the Company had Increased Authorised Share Capital from Rs. 3,00,00,000/- divided into 30,00,000 Equity Shares of face value of Rs. 10/- each to Rs. 6,00,00,000/- divided into 60,00,000 Equity Shares of Rs. 10/- each by passing necessary resolution at Extra Ordinary General Meeting of members of the Company held on 25th November, 2020.
- During the year under review, the Hon'ble National Company Law Tribunal (NCLT) had passed an Order dated 27th November, 2020 for approval of the Composite Scheme of Arrangement amongst Infibeam Avenues Limited (Formerly known as Infibeam Incorporation Limited), Suvidhaa Infoserve Limited, DRC Systems India Limited and NSI Infinium Global Limited and their respective shareholders and creditors under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules made there under.
- During the year under review, Company had altered its Main Object Clause in Memorandum of Association pursuant to Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal (NCLT) on December 05, 2020.
- During the year under review, Company had allotted 16,15,356 Equity Shares pursuant to Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal (NCLT) on December 15, 2020.
- During the year under review, as proposed in the Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal (NCLT), Equity shares of the Company got listed on the BSE Limited and National Stock Exchange of India Limited on 10th March, 2021. The company obtained Listing and Trading approvals from both the Stock Exchanges.

**Place :** Ahmedabad

**Signature**

**Date:** August 27, 2021

Name of practicing CS: Jitendra leeya

Practicing Company Secretary

ACS No. : A31232

COP No. : 14503

UDIN : A031232C000840700

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

## ANNEXURE - A

List of documents verified (in electronic form)

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Communications/ Letters issued to and acknowledgements received from the Independent Directors for their appointment.
11. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
  - Code of Conduct of Directors and KMPs
  - Code of Conduct for Independent Directors
  - Code of Conduct of Fair Disclosure
  - Nomination & Remuneration Policy
  - Policy relating to Familiarization Program for Independent Director
  - Policy relating to Terms and Conditions for Appointment of Independent Director
  - Materiality of Events Policy
  - Website Content Archival Policy
  - Policy for determining Material Subsidiaries
  - Policy on Preservation of Documents
  - Related Party Transaction Policy
  - Whistle Blower Policy
  - Policy for prevention of Sexual Harassment of Women
  - Code of Conduct of Employee
  - Code of Conduct for prevention of Insider Trading
  - Remuneration Policy for Non- Executive Directors
  - Policy on Board Diversity
  - Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information



**ANNEXURE - B**

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

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2021.

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

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

**Place :** Ahmedabad

**Date:** August 27, 2021

**Signature**

Name of practicing CS: Jitendra leeya

Practicing Company Secretary

ACS No. : A31232

COP No. : 14503

UDIN : A031232C000840700

## ANNEXURE - C

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

Remuneration details of Directors and KMPs of the Company for the Financial Year 2020-21 is as follows:

No.	Particulars	Status
I	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<b>Number of times</b>
		<b>Name of Director</b>
		<b>Designation</b>
		<b>Ratio of the remuneration to the median remuneration</b>
		6.41
		0.49
II	Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	<b>Name of Director &amp; KMP</b>
		<b>Designation</b>
		<b>% increase in remuneration in the Financial Year</b>
		NA
		NA
		NA
		NA
III	Percentage increase in the median remuneration of employees in the financial year	2%
IV	Number of permanent employees on the rolls of Company	110
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in salaries of employees other than the managerial personnel in the last Financial Year was 2% and Nil for managerial personnel
VI	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

\* Mr. Hiten Barchha has joined the Board of the Company on June 08, 2020.

\*\* Mr. Janmaya Pandya and Mr. Jainam Shah have been appointed w.e.f. December 05, 2020.

#### NOTE:

- The Non-Executive Directors are paid only sitting fees for attending the meetings of the Board and its Committees. The ratio of remuneration and percentage increase in remuneration of these Directors is therefore not considered for the above.

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
DRC SYSTEMS INDIA LIMITED  
(Formerly Known as DRC SYSTEMS INDIA PRIVATE LIMITED)

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of DRC SYSTEMS INDIA LIMITED (Formerly Known as DRC SYSTEMS INDIA PRIVATE LIMITED) which comprise the standalone Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow, the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis of Opinion

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

### Other Information

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the company's annual report, but does not include the Standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### Management's and the Board of Director's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the

state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rule issued thereunder;
  - e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

Place: Ahmedabad  
Date: 14/05/2021  
UDIN: 21046922AAAADA1587

**For Rajpara Associates**

Chartered Accountants  
FRN 113428W

**Chandramaulin J. Rajpara**

Partner  
M. No. 046922

## ANNEXURE - A

## TO THE INDEPENDENT AUDITORS' REPORT DRC SYSTEMS INDIA LIMITED

(Formerly known as DRC SYSTEMS INDIA PRIVATE LIMITED)

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

### (i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The company has carried out physical verification of its tangible fixed assets at regular intervals. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification.

(c) No immovable property is held by the company and accordingly, the provisions of clause 3 (i) (c) of the Order are not applicable to the Company and hence not commented upon.

(ii) The company being in the service industry only and is not dealing in goods, accordingly, the provisions of clauses 3(ii) of the Order in relation to physical verification of inventory are not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder.

(vi) In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

### (vii) According to information and explanations given to us, in respect of statutory dues:

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax, cess and other statutory dues applicable to it.

As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

(b) There were no undisputed amounts payable in respect of provident fund, employee's state insurance, Income tax, goods and services tax, professional tax, cess and other statutory dues for a period more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no disputed statutory dues for income tax, service tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or Government. The Company has not issued any debentures.
- (ix) Company has not taken any term loan from bank or financial institutions. Also company has not raised moneys by way of initial public offer or further public offer. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided. Therefore, the provision of clause 3 (xi) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and therefore provisions of para 3 (xiv) is not applicable to company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 & accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Ahmedabad  
Date: 14/05/2021  
UDIN: 21046922AAAADA1587

**For Rajpara Associates**

Chartered Accountants  
FRN 113428W

**Chandramaulin J. Rajpara**

Partner  
M. No. 046922



## ANNEXURE - B

## TO THE INDEPENDENT AUDITORS' REPORT DRC SYSTEMS INDIA LIMITED

*(Formerly known as DRC SYSTEMS INDIA PRIVATE LIMITED)*

*(Referred to in clause (f) of paragraph 2 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)*

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **DRC Systems India Limited** (Formerly Known as DRC Systems India Private Limited) as of March 31, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Place: Ahmedabad  
Date: 14/05/2021  
UDIN: 21046922AAAADA1587

### For Rajpara Associates

Chartered Accountants  
FRN 113428W

### Chandramaulin J. Rajpara

Partner  
M. No. 046922

## BALANCE SHEET

### AS AT MARCH 31, 2021

Particulars	Notes	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	3	13.29	17.83
Other intangible assets	4	307.32	12.92
Financial assets			
(i) Investments	5	0.00	0.00
(ii) Other financial assets		3.30	-
Deferred tax assets (net)	22	43.61	20.37
Income tax assets (net)	7	13.83	2.69
<b>Total non-current assets</b>		<b>381.35</b>	<b>53.81</b>
<b>II. Current assets</b>			
Financial assets			
(i) Trade receivables	5	812.05	365.48
(ii) Cash and cash equivalents		170.45	52.57
(iii) Others financial assets		11.73	17.66
Other current assets	6	67.63	28.16
<b>Total current assets</b>		<b>1061.86</b>	<b>463.88</b>
<b>Total Assets</b>		<b>1443.21</b>	<b>517.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	386.54	225.00
Other equity	9	183.69	14.73
<b>Total equity</b>		<b>570.23</b>	<b>239.73</b>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
Provisions	11	35.04	37.43
<b>Total non-current liabilities</b>		<b>35.04</b>	<b>37.43</b>
<b>II. Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables	10		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		269.98	136.19
(ii) Other financial liabilities		333.80	55.95
Other current liabilities	12	215.76	39.00
Provisions	11	18.40	9.38
<b>Total current liabilities</b>		<b>837.95</b>	<b>240.52</b>
<b>Total equity and liabilities</b>		<b>1443.21</b>	<b>517.69</b>

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

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

ICAI Firm's Registration No. 113428W

CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**  
**Partner**

Membership No.046922

Place : Ahmedabad

Date : May 14, 2021

**Hiten Barchha**

Managing Director

DIN: 05251837

Place : Gandhinagar

Date : May 14, 2021

**Keyur Shah**

Chairman

DIN: 03111182

Place : Gandhinagar

Date : May 14, 2021

**Janmaya Pandya**

Chief Financial Officer

Place : Gandhinagar

Date : May 14, 2021

**Jainam Shah**

Company Secretary

Place : Gandhinagar

Date : May 14, 2021

## STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	Year ended March 31, 2021 (INR in lakhs)	Year ended March 31, 2020 (INR in lakhs)
<b>Income</b>			
Revenue from operations	13	2059.49	1086.66
Other income	14	12.27	75.93
<b>Total income (I)</b>		<b>2071.76</b>	<b>1162.59</b>
<b>Expenses</b>			
Contracting expenses		933.46	-
Employee benefits expenses	15	819.82	771.28
Finance costs	16	5.18	10.58
Depreciation and amortisation expenses	17	221.21	25.85
Other expenses	18	153.29	348.52
<b>Total expenses (II)</b>		<b>2132.96</b>	<b>1156.23</b>
<b>Profit before tax (III) = (I-II)</b>		<b>(61.20)</b>	<b>6.36</b>
<b>Income Tax expenses</b>			
Current tax	22	9.95	4.93
Deferred tax	22	(23.24)	0.29
<b>Total Income tax expenses (IV)</b>		<b>(13.29)</b>	<b>5.22</b>
<b>Profit for the year (V) = (III-IV)</b>		<b>(47.91)</b>	<b>1.14</b>
<b>Other comprehensive income</b>			
<b>A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains / (losses) on defined benefit plans		7.26	5.18
Income tax effect		-	-
<b>Total other comprehensive income for the year, net of tax (VI)</b>		<b>7.26</b>	<b>5.18</b>
<b>Total comprehensive income for the year, net of tax (V+VI)</b>		<b>(40.65)</b>	<b>6.32</b>
<b>Earning per equity share [nominal value per share Rs.10/- (March 31, 2020: Rs.10/- )]</b>			
Basic	25	(1.24)	0.06
Diluted	25	(1.24)	0.06
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

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

ICAI Firm's Registration No. 113428W

CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**  
Partner

Membership No.046922

Place : Ahmedabad

Date : May 14, 2021

**Hiten Barchha**

Managing Director

DIN: 05251837

Place : Gandhinagar

Date : May 14, 2021

**Keyur Shah**

Chairman

DIN: 03111182

Place : Gandhinagar

Date : May 14, 2021

**Janmaya Pandya**

Chief Financial Officer

Place : Gandhinagar

Date : May 14, 2021

**Jainam Shah**

Company Secretary

Place : Gandhinagar

Date : May 14, 2021

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED MARCH 31, 2021

#### A. Equity share capital

	INR in lakhs
Balance	Amount Note 8
<b>As at March 31, 2019</b>	<b>135.00</b>
Add : Issue of Bonus Equity Shares	90.00
<b>As at March 31, 2020</b>	<b>225.00</b>
Add : Issue of Equity Shares pursuant to Scheme of Arrangement (refer note 33)	161.54
<b>As at March 31, 2021</b>	<b>386.54</b>

#### B. Other equity

Particulars	Reserves and Surplus		INR in lakhs
	Retained Earnings Note 9	Capital Reserve Note 9	Total other equity Note 9
	<b>Balance as at April 1, 2019</b>	<b>98.41</b>	-
Profit /(Loss) for the year	1.14	-	1.14
Other comprehensive income for the year	5.18	-	5.18
Total Comprehensive income for the year	6.32	-	6.32
Less : Issue of bonus shares	(90.00)	-	(90.00)
<b>Balance as at March 31, 2020</b>	<b>14.73</b>	-	<b>14.73</b>
<b>Balance as at April 1, 2020</b>	<b>14.73</b>	-	<b>14.73</b>
Add: Addition on account of scheme of arrangement (refer note 33)		371.15	371.15
Less: Issue of equity share pursuant to scheme of arrangement (refer note 33)		161.54	161.54
Profit /(Loss) for the year	(47.91)	-	(47.91)
Other comprehensive income for the year	7.26	-	7.26
Total Comprehensive income for the year	(40.65)	-	(40.65)
<b>Balance as at March 31, 2021</b>	<b>(25.92)</b>	<b>532.69</b>	<b>506.76</b>

#### Capital reserve

Capital reserve is created out of surplus of Asset over Liability transferred vide Scheme of Arrangement from Themepark & Event Software Undertaking of Infibeam Avenues Limited. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. (refer note 33)

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

As per our report of even date

For, **Rajpara Associates**  
Chartered Accountants

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

ICAI Firm's Registration No. 113428W

CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**  
Partner

Membership No.046922

Place : Ahmedabad

Date : May 14, 2021

**Hiten Barchha**

Managing Director

DIN: 05251837

Place : Gandhinagar

Date : May 14, 2021

**Keyur Shah**

Chairman

DIN: 03111182

Place : Gandhinagar

Date : May 14, 2021

**Janmaya Pandya**

Chief Financial Officer

Place : Gandhinagar

Date : May 14, 2021

**Jainam Shah**

Company Secretary

Place : Gandhinagar

Date : May 14, 2021



## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED MARCH 31, 2021

Particulars	March 31, 2021 (INR in lakhs)	March 31, 2020 (INR in lakhs)
<b>A. Operating activities</b>		
Profit/(Loss) Before taxation	(61.20)	6.36
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expenses	221.21	25.85
Employee stock option expense	69.40	87.89
Interest expenses	5.18	10.58
Bad debts written off	-	1.02
Balances written off	-	41.61
Foreign currency loss / (gain)	17.66	(68.71)
No Longer Payable	(10.93)	-
Interest income	(1.34)	(2.19)
	<b>301.18</b>	<b>96.05</b>
<b>Operating Profit before Working Capital Changes</b>	<b>239.97</b>	<b>102.41</b>
<b>Working Capital Changes:</b>		
Changes in trade and other payables	133.78	33.33
Changes in trade receivables	(453.60)	650.74
Changes in other current & non current assets	(36.84)	33.57
Changes in other current and non current liabilities and provisions	220.77	(840.76)
<b>Net Changes in Working Capital</b>	<b>(135.89)</b>	<b>(123.11)</b>
<b>Cash Generated from Operations</b>	<b>104.08</b>	<b>(20.71)</b>
Direct taxes paid	(21.09)	4.28
<b>Net Cash (used in) Operating Activities ( A )</b>	<b>82.99</b>	<b>(16.43)</b>
<b>B. Cash Flow from Investing Activities</b>		
Payment for acquisition of property, plant and equipment and intangible asset (including capital work-in-progress and intangible under development)	(1.19)	(0.78)
Interest received	1.34	2.19
<b>Net cash (used in) Investing Activities ( B )</b>	<b>0.14</b>	<b>1.41</b>

<b>C. Cash Flow from Financing Activities</b>		
Interest paid	(5.18)	(10.58)
<b>Net Cash (used in) Financing Activities ( C )</b>	<b>(5.18)</b>	<b>(10.58)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>77.95</b>	<b>(25.60)</b>
Cash & Cash equivalent at the beginning of the year	52.57	78.17
Add: Cash & Cash equivalent pursuant to Scheme of Arrangement (refer note 33)	39.93	-
<b>Cash &amp; Cash equivalent at the end of the year</b>	<b>170.45</b>	<b>52.57</b>

Particulars	Year ended March 31, 2021 (INR in lakhs)	Year ended March 31, 2020 (INR in lakhs)
<b>Cash and cash equivalents comprise of: (Note 5)</b>		
Balances with Banks		
Current accounts	169.39	51.50
Cash on Hand	1.06	1.07
<b>Cash and cash equivalents</b>	<b>170.45</b>	<b>52.57</b>

As per our report of even date

For, **Rajpara Associates**  
Chartered Accountants

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

ICAI Firm's Registration No. 113428W

CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**  
Partner

Membership No.046922  
Place : Ahmedabad  
Date : May 14, 2021

**Hiten Barchha**

Managing Director  
DIN: 05251837  
Place : Gandhinagar  
Date : May 14, 2021

**Keyur Shah**

Chairman  
DIN: 03111182  
Place : Gandhinagar  
Date : May 14, 2021

**Janmaya Pandya**

Chief Financial Officer  
Place : Gandhinagar  
Date : May 14, 2021

**Jainam Shah**

Company Secretary  
Place : Gandhinagar  
Date : May 14, 2021

## Note 1: Company Overview and Significant Accounting Policies

### a. Company overview

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.

### b. Basis of preparation of financial statements

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:

#### 1. Estimates and assumption

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

#### 2. Defined benefit plans

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

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

country.

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

#### 3. Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be 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

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.

#### 5. Property, plant and equipment

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

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.

#### Note 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

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.

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## 2.2 Foreign currencies

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

## Transactions and balances

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

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

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

## 2.3 Fair value measurement

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

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

asset or liability.

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

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

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

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

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

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.

#### 2.5 Intangible Assets

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

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

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.

**2.6 Leases****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**

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**

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****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

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

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.

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 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

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.

##### a) Financial assets

###### (i) Initial recognition and measurement.

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

###### (ii) Subsequent measurement

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



## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

- 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.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

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 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

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

recognized as an impairment gain or loss in profit or loss.

**b) Financial Liabilities**

**(i) Initial recognition and measurement**

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

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

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

**(ii) Subsequent measurement of financial liabilities**

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

● **Financial liabilities at fair value through profit or loss**

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the

Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

● **Loans and Borrowings**

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

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

This category generally applies to borrowings.

**(iii) Derecognition of financial liabilities**

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

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

**c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

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

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

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

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

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 recognize 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

#### a) Short Term Employee Benefits

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

#### b) Post-Employment Benefits

##### (i) Defined benefit plan

Gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit

Credit Method as at the date of the Balance sheet reduced by the fair value of any plan assets. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

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

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

- 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

The Employees Stock Option Scheme ('the Scheme') provides for grant of equity shares of Infibeam

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

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.

#### 2.15 Earnings per share

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

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

#### 2.16 Segment reporting

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

Segment policies:

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

#### 2.17 Provisions

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

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

#### Contingencies

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

#### Contingent liabilities and contingent assets:

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

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### 2.18 Changes in accounting policies and disclosures

#### New and amended standards

#### Amendments to Ind AS 116: Covid-19- Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. This amendment had no impact on the standalone financial statements of the Company.

#### Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

#### Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial

Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/ or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. This amendment had no impact on the standalone financial statements of the Company.

### 2.19 Standards issued but not yet effective

There are no standards that are issued but not yet effective on March 31, 2021.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 3 : Property, plant and equipment

	INR in lakhs				
Particulars	Plant & machinery	Furniture & fixture	Office equipment	Computer, server & network	Total
<b>Gross Block</b>					
As at March 31, 2019	78.51	25.73	-	104.28	208.53
Additions	-	-	-	0.78	0.78
Deductions	-	-	-	-	-
As at March 31, 2020	78.51	25.73	-	105.06	209.31
Accquired on scheme of ar- rangement (refer note 33)	-	-	0.84	2.01	2.85
Additions	0.38	-	-	0.82	1.19
Deductions	-	-	-	-	-
As at March 31, 2021	78.89	25.73	0.84	107.89	213.35
<b>Depreciation and Impairment</b>					
As at March 31, 2019	66.58	22.07	-	86.74	175.39
Depreciation for the year	5.88	1.37	-	8.85	16.09
Deductions	-	-	-	-	-
As at March 31, 2020	72.46	23.44	-	95.58	191.48
Accquired on scheme of ar- rangement (refer note 33)	-	-	0.26	1.42	1.68
Depreciation for the year	3.48	1.08	0.15	2.19	6.89
Deductions	-	-	-	-	-
As at March 31, 2021	75.94	24.51	0.41	99.19	200.06
<b>Net Block</b>					
As at March 31, 2021	2.95	1.22	0.43	8.70	13.29
As at March 31, 2020	6.05	2.30	-	9.48	17.83



## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## Note 4 : Other intangible assets

Particulars	INR in lakhs		
	Computer Software	Intangible Asset	Total
<b>Cost</b>			
As at March 31, 2019	45.00	14.98	59.98
Additions	-	-	-
Capitalized	-	-	-
As at March 31, 2020	45.00	14.98	59.98
Accquired on scheme of arrangement (refer note 33)	-	1,698.77	1,698.77
Additions	-	-	-
Capitalized	-	-	-
As at March 31, 2021	45.00	1,713.75	1,758.75
<b>Amortisation and Impairment</b>			
As at March 31, 2019	24.00	13.3	37.3
Amortisation for the Year	9.00	0.75	9.75
Deductions	-	-	-
As at March 31, 2020	33.00	14.05	47.05
Accquired on scheme of arrangement (refer note 33)	-	1,190.07	1,190.07
Amortisation for the Year	9.00	205.31	214.31
Deductions	-	-	-
As at March 31, 2021	42.00	1,409.43	1,451.43
<b>Net Block</b>			
As at March 31, 2021	3.00	304.32	307.32
As at March 31, 2020	12.00	0.92	12.92

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 5 : Financial assets

##### 5 Investments

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Investment in equity shares</b>		
<b>Unquoted</b>		
GESIA IT Association	0.00	0.00
10 ( 31 March 2020 : 10) equity shares	-	-
<b>Total Investments</b>	<b>0.00</b>	<b>0.00</b>
Aggregate amount of unquoted investments	0.00	0.00
Aggregate amount of impairment in value of investments	-	-

##### 5 Trade receivables

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Trade receivables</b>		
Unsecured, considered good	812.05	365.48
<b>Total Trade receivables</b>	<b>812.05</b>	<b>365.48</b>

- (i) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days
- (ii) For amount dues and terms and conditions relating to Related Party Transactions, refer note 24
- (iii) For explanation on Company's credit risk management process, refer note 28

##### 5 Cash and cash equivalent

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Balance with Bank</b>		
Current accounts	169.39	51.50
Cash on hand	1.06	1.07
<b>Total cash and cash equivalents</b>	<b>170.45</b>	<b>52.57</b>

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

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Balance with Bank</b>		
Current accounts	169.39	51.50
Cash on hand	1.06	1.07
	<b>170.45</b>	<b>52.57</b>

## 5 Other financial assets

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Non-current</b>		
Bank deposits with original maturity of more than 12 months (including accrued interest)	3.30	-
	<b>3.30</b>	<b>-</b>
<b>Current</b>		
Security deposits	11.34	13.55
Bank deposits maturing within 12 months from reporting date	0.40	3.90
Interest accrued but not due on Other deposits	-	0.21
	<b>11.73</b>	<b>17.66</b>
<b>Total other financial assets</b>	<b>15.03</b>	<b>17.66</b>

## 5 Financial assets by category

Particulars	INR in lakhs			
	Cost	FVOCI	FVTPL	Amortised Cost
<b>March 31, 2021</b>				
Investments	0.00	-	-	-
Trade receivables	-	-	-	812.05
Cash & cash equivalents	-	-	-	170.45
other financial assets	-	-	-	15.03
<b>Total Financial assets</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>997.53</b>
<b>March 31, 2020</b>				
Investments	0.00	-	-	-
Trade receivables	-	-	-	365.48
Cash & cash equivalents	-	-	-	52.57
other financial assets	-	-	-	17.66
<b>Total Financial assets</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>435.72</b>

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

For Financial instruments risk management objectives and policies, refer Note 28

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment refer note 28.

#### Note 6 : Other current / non-current assets

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Current</b>		
Advance to Employee	3.67	0.05
Balance with government authorities	62.39	25.74
Advances to suppliers	0.15	1.83
Prepaid expenses	1.19	0.5
Other current asset	0.23	0.04
	<b>67.63</b>	<b>28.16</b>
<b>Total</b>	<b>67.63</b>	<b>28.16</b>

#### Note 7 : Income tax assets (net)

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
Tax paid in advance (net of provision)	13.83	2.69
<b>Total</b>	<b>13.83</b>	<b>2.69</b>

#### Note 8 : Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	INR in lakhs	No. of shares	INR in lakhs
<b>Authorised share capital</b>				
Equity shares of Rs. 10 each	6,000,000	600.00	3,000,000	300.00
<b>Issued and subscribed share capital</b>				
Equity shares of Rs. 10 each	3,865,356	386.54	2,250,000	225.00
<b>Subscribed and fully paid up</b>				
Equity shares of Rs. 10 each	3,865,356	386.54	2,250,000	225.00
<b>Total</b>	<b>3,865,356</b>	<b>386.54</b>	<b>2,250,000</b>	<b>225.00</b>

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## 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 March 31, 2021		As at March 31, 2020	
	No. of shares	INR in lakhs	No. of shares	INR in lakhs
At the beginning of the year	2,250,000	225.00	1,350,000	135.00
Add :				
Shares allotted pursuant to Scheme of Arrangement (refer note 33)	1,615,356	161.54	-	-
Issue of Bonus shares	-	-	900,000	90.00
Outstanding at the end of the year	3,865,356	386.54	2,250,000	225.00

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Shivben Popatbhai Sutariya	450,000	11.64%	450,000	20.00%
Infibeam Avenues Limited	1,147,500	29.69%	1,147,500	51.00%
Yogesh Sutariya	450,696	11.66%	450,000	20.00%
Kirit Gajera	-	-	112,500	5.00%

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 9 : Other Equity

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Capital reserve (refer note 33)</b>		
Balance as per last financial statements	-	-
Add: Addition on Scheme of Arrangement	371.15	-
Less: Issue of Equity Share pursuant to Scheme of Arrangement	(161.54)	-
<b>Balance at the end of the year</b>	<b>209.61</b>	<b>-</b>
<b>Surplus / (Deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	14.73	98.41
Add: profit / (loss) for the year	(47.91)	1.14
Add / (Less): OCI for the year	7.26	5.18
	(25.92)	104.73
Less : Issue of Bonus Shares	-	(90.00)
<b>Balance at the end of the year</b>	<b>(25.92)</b>	<b>14.73</b>
<b>Total Other equity</b>	<b>183.69</b>	<b>14.73</b>

#### Note: 10 Trade payable

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Current</b>		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises		
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	269.98	136.19
	269.98	136.19
<b>Total</b>	<b>269.98</b>	<b>136.19</b>

(i) Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

(ii) For disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006, refer note 30

(iii) For explanation on Company's liability risk management process, refer note 28

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## 10 Other financial liabilities

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Current</b>		
Employee benefits payable	58.72	47.32
Creditor for expenses	6.15	0.35
Other financial liabilities	268.93	8.27
	<b>333.80</b>	<b>55.95</b>
<b>Total</b>	<b>333.80</b>	<b>55.95</b>

## 10 Financial liabilities by category

Particulars	FVTPL	FVOCI	Amortised Cost
<b>March 31, 2021</b>			
Trade payable			269.98
Other financial liabilities			333.80
<b>Total Financial liabilities</b>			<b>603.78</b>

Particulars	FVTPL	FVOCI	Amortised Cost
<b>March 31, 2020</b>			
Trade payable			136.19
Other financial liabilities			55.95
<b>Total Financial liabilities</b>			<b>192.14</b>

For Financial instruments risk management objectives and policies, refer Note 28

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment refer note 28.

## Note 11: Provisions

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Long-term</b>		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	35.04	37.43
	<b>35.04</b>	<b>37.43</b>
<b>Short-term</b>		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	18.40	9.38
	<b>18.40</b>	<b>9.38</b>
<b>Total</b>	<b>53.44</b>	<b>46.81</b>

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 12 : Other current / Non-current liabilities

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
<b>Current</b>		
Statutory dues payable	58.81	35.05
Excess billing over revenue	4.78	-
Provision for expenses	2.13	3.96
Other liabilities	150.04	-
	<b>215.76</b>	<b>39.00</b>
<b>Total</b>	<b>215.76</b>	<b>39.00</b>

#### Note 13 : Revenue from operations

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Sale of services	2,059.49	1,086.66
<b>Total</b>	<b>2,059.49</b>	<b>1,086.66</b>

Refer note 32 "Disclosure pursuant to Ind AS 115 "Revenue from contract with customers"

#### Note 14 : Other income

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Exchange gain/loss	-	68.71
Interest Income	1.34	2.19
Miscellaneous Income	-	5.02
No Longer Payable	10.93	-
<b>Total</b>	<b>12.27</b>	<b>75.93</b>

#### Note 15 : Employee benefits expense

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Salaries and wages	729.83	669.87
Contribution to provident and other funds	19.56	12.39
Employee stock option scheme	69.40	87.89
Staff welfare expenses	1.03	1.13
<b>Total</b>	<b>819.82</b>	<b>771.28</b>

Refer note 31 for Employee stock option scheme expenses



**NOTES****TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)****Note 16 : Finance costs**

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Interest expense	2.36	10.40
Interest expense - on statutory dues	2.82	0.18
<b>Total</b>	<b>5.18</b>	<b>10.58</b>

**Note 17 : Depreciation and amortization expense**

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Depreciation on Tangible assets (Refer Note 3)	6.89	16.09
Amortization on Intangible assets (Refer Note 4)	214.31	9.75
<b>Total</b>	<b>221.21</b>	<b>25.85</b>

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 18 : Other expenses

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Bank charges	0.42	0.09
Software expenses	3.68	18.23
Communication expenses	1.37	4.68
Commission expenses	4.61	2.97
Legal and consultancy expenses	42.51	15.39
Office expenses	3.01	0.68
Payments to auditors	2.23	1.35
Rent	57.99	45.14
Rate and taxes	0.63	26.92
Sales Promotion Expenses	7.93	175.12
Bad Debts	-	1.02
Balances Written off	-	41.61
Electricity expenses	4.37	6.23
Printing & Stationery Expenses	0.10	0.33
Traveling expenses	-	2.67
Repair & Maintainace Expenses	0.20	0.04
Computer Expenses	-	1.38
Security expenses	1.69	2.72
Subscription expenses	4.89	1.94
Net foreign exchange loss	17.66	-
Miscellaneous expenses	-	0.01
<b>Total</b>	<b>153.29</b>	<b>348.52</b>

#### (i) Payments to auditors

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Statutory audit	1.35	1.35
Other services	0.88	-
	<b>2.23</b>	<b>1.35</b>

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## Note 19 : Contingent liabilities

Particulars	Year ended March 31, 2021 (INR in lakhs)	Year ended March 31, 2020 (INR in lakhs)
<b>Contingent liabilities not provided for</b>		
a. Claims against Company not acknowledged as debts	-	-
b. Guarantees given by bank on behalf of the Company	-	-

## Note 20 : Capital commitment and other commitments

Particulars	Year ended March 31, 2021 (INR in lakhs)	Year ended March 31, 2020 (INR in lakhs)
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	-	-

## Note 21 : Foreign Exchange Derivatives and Exposures not hedged

A. Foreign Exchange Derivatives: The Company does not have any foreign exchange derivatives

B. Exposure Not Hedged:

Nature of exposure	Currency	Year ended March 31, 2021		Year ended March 31, 2020	
		Foreign currency	INR in lakhs	Foreign currency	INR in lakhs
Trade receivables	USD	1,054,815	770.06	447,144	338.33
Cash balance	USD	847	0.62	847	0.64
	EURO	380	0.33	380	0.31
	SGD	200	0.11	200	0.11
	MUF	55	0.00	55	0.00

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 22 : Income tax

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Tax paid in advance (net of provision)	13.83	2.69
<b>Total</b>	<b>13.83</b>	<b>2.69</b>

The major component of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are :

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
<b>Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current income tax	9.95	4.93
<b>Deferred tax</b>		
Deferred tax expense/ (credit)	(23.24)	0.29
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(13.29)</b>	<b>5.22</b>

**Note :** The Company elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Company has recognized the provision for income tax for the year ended March 31, 2021 and re-measured its deferred tax basis the rate prescribed in the said section. Accordingly, previous periods tax expenses are not comparable.

**Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020.**

#### A. Current tax

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
Accounting profit before tax from continuing operations	(61.20)	6.36
Tax Rate	25.17%	22.88%
Computed expected tax expense	(15.40)	1.45
<b>Adjustment</b>		
Non-deductable expenses	25.35	3.47
Employee benefit payable	(2.74)	(0.22)
Excess of amortization of fixed assets under income-tax law over amortization provided in accounts	(20.50)	0.51
	<b>(13.29)</b>	<b>5.22</b>

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## B. Deferred tax

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2021 (INR in lakhs)	March 31, 2020 (INR in lakhs)	March 31, 2021 (INR in lakhs)	March 31, 2020 (INR in lakhs)
Provision for employee benefits	13.45	10.71	2.74	0.22
Excess of depreciation/ amortisation on fixed assets in accounts over depreciation/amortisation provided under income-tax law.	30.16	9.66	20.50	(0.51)
<b>Deferred tax (expense) / income</b>			<b>23.24</b>	<b>(0.29)</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>43.61</b>	<b>20.37</b>		
Reflected in the balance sheet as follows				
Deferred tax assets	43.61	20.37		
Deferred tax liabilities	-	-		
<b>Deferred tax assets (net)</b>	<b>43.61</b>	<b>20.37</b>		

Particulars	March 31, 2021 (INR in lakhs)	March 31, 2020 (INR in lakhs)
<b>Reconciliation of deferred tax assets / (liabilities), net</b>		
Opening balance as of April 1	20.37	20.66
Tax income/(expense) during the year recognised in profit or loss	23.24	(0.29)
Tax income/(expense) during the year recognised in OCI	-	-
<b>Closing balance as at March 31</b>	<b>43.61</b>	<b>20.37</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 23 : Disclosure pursuant to Employee benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution is charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and other funds for the year are as follows:

Amount of Rs. 19,55,698 (March 31, 2020: Rs.12,39,439) is recognised as expenses and included in Note No. 15 "Employee benefit expense"

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
Provident Fund	19.56	12.39
	19.56	12.39

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

The Company has following post employment benefits which are in the nature of defined benefit plans:

## (a) Gratuity

The Company operates post employment defined benefit plan i.e gratuity plan(the plan). The plan is unfunded and entitles an employee, who has rendered atleast five years of continuous service, to receive half month's salary for each period of completed service at the time of retirement/resignation. The long term service incentive is accrued for all eligible employee of the Company and is payable on completion of 5 year of service.

## March 31, 2021 : Changes in defined benefit obligation and plan assets

	Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income				March 31, 2021				
	April 1, 2020	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions		Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer
<b>Gratuity</b>													
Defined benefit obligation	46.81		11.38	2.51	13.89	-	-	(7.03)	(7.03)	(0.23)	(7.26)	-	53.44
Fair value of plan assets	-		-	-	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>46.81</b>		<b>11.38</b>	<b>2.51</b>	<b>13.89</b>	<b>-</b>	<b>-</b>	<b>(7.03)</b>	<b>(7.03)</b>	<b>(0.23)</b>	<b>(7.26)</b>	<b>-</b>	<b>53.44</b>
<b>Total benefit liability</b>	<b>46.81</b>		<b>11.38</b>	<b>2.51</b>	<b>13.89</b>	<b>-</b>	<b>-</b>	<b>(7.03)</b>	<b>(7.03)</b>	<b>(0.23)</b>	<b>(7.26)</b>	<b>-</b>	<b>53.44</b>

## March 31, 2020 : Changes in defined benefit obligation and plan assets

	Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income				March 31, 2020				
	April 1, 2019	Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions		Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer
<b>Gratuity</b>													
Defined benefit obligation	40.36		9.07	2.56	11.63	-	-	0.01	(2.72)	(2.47)	(5.18)	-	46.81
Fair value of plan assets	-		-	-	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>40.36</b>		<b>9.07</b>	<b>2.56</b>	<b>11.63</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>(2.72)</b>	<b>(2.47)</b>	<b>(5.18)</b>	<b>-</b>	<b>46.81</b>
<b>Total benefit liability</b>	<b>40.36</b>		<b>9.07</b>	<b>2.56</b>	<b>11.63</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>(2.72)</b>	<b>(2.47)</b>	<b>(5.18)</b>	<b>-</b>	<b>46.81</b>

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.25%	5.75%
Future salary increase	6.00%	8.00%
Attrition rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages
Mortality rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Retirement age	60 years	60 years

A quantitative sensitivity analysis for significant assumption is as shown below:

#### Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		Year ended March 31, 2021 (INR in lakhs)	Year ended March 31, 2020 (INR in lakhs)
<b>Gratuity</b>			
Discount rate	0.5% increase	(52.27)	(45.43)
	0.5% decrease	54.69	48.49
Salary increase	0.5% increase	54.68	48.25
	0.5% decrease	(52.26)	(45.45)
Withdrawal rates	10% increase	(53.23)	(45.90)
	10% decrease	53.65	47.87

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2021 (INR in lakhs)	Year ended March 31, 2020 (INR in lakhs)
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	18.40	6.39
Between 2 and 5 years	20.95	20.54
Beyond 5 years	14.94	14.91
<b>Total expected payments</b>	<b>54.30</b>	<b>41.83</b>

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2021 (Years)	Year ended March 31, 2020 (Years)
Gratuity	6.33	6.15



## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Risk Exposure :

##### i. Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

##### ii. Market Risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

##### iii. Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

##### iv. Actuarial Risk

###### a. Salary Increase Assumption

Actual Salary increases that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.

###### b. Attrition/Withdrawal Assumption

If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

##### v. Regulatory Risk

Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 24 : Related Party disclosures.

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

#### Name of Related Parties and Nature of Relationship :

Sr.No	Relationship	Name of company/person
1	Holding Company	Infibeam Avenues Limited (upto March 31, 2020)
2	Associate Company	NSI Infinium Global Ltd (upto March 31, 2020)
3	Company having significant influence	Infibeam Avenues Limited (with effect from April 01, 2020)
4	Key Management Personnel	Hiten Ashwin Barchha (with effect from June 08, 2020) Janmaya Preyas Pandya (with effect from December 05, 2020) Jainam Ashvinkumar Shah (with effect from December 01, 2020)

#### Related party transactions

Particulars	Year ending	Key Management Personnel	Holding company	Company having significant influence	Associate company	INR in lakhs
						Total
Issue of equity shares on account of scheme of arrangement (Numbers)	31/Mar/21	74	-	-	-	74
	31/Mar/20	-	-	-	-	-
<b>Salaries paid</b>						
Hiten Ashwin Barchha	31/Mar/21	48.74	-	-	-	48.74
	31/Mar/20	-	-	-	-	-
Janmaya Preyas Pandya	31/Mar/21	5.75	-	-	-	5.75
	31/Mar/20	-	-	-	-	-
Jainam Ashvinkumar Shah	31/Mar/21	4.21	-	-	-	4.21
	31/Mar/20	-	-	-	-	-
<b>Service Taken</b>						
Infibeam Avenues Limited	31/Mar/21	-	-	921.26	-	921.26
	31/Mar/20	-	220.14	-	-	220.14
<b>Reimbursement of Expenses From - Other Expenses</b>						
NSI Infinium Global Limited	31/Mar/21	-	-	-	-	-
	31/Mar/20	-	-	-	113.29	113.29
Infibeam Avenues Limited	31/Mar/21	-	-	6.14	-	6.14
	31/Mar/20	-	3.78	-	-	3.78
<b>Reimbursement of ESOP Expense</b>						
Infibeam Avenues Limited	31/Mar/21	-	-	69.40	-	69.40
	31/Mar/20	-	87.89	-	-	87.89
<b>Interest Expenses</b>						
NSI Infinium Global Limited	31/Mar/21	-	-	-	-	-
	31/Mar/20	-	-	-	7.91	7.91
Infibeam Avenues Limited	31/Mar/21	-	-	2.18	-	2.18
	31/Mar/20	-	2.49	-	-	2.49

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

Particulars	Year ending	Key Management Personnel	Holding company	Company having significant influence	Associate company	Total
<b>Loan Taken</b>						
Infibeam Avenues Limited	31/Mar/21	-	-	300.68	-	300.68
	31/Mar/20	-	189.50	-	-	189.50
NSI Infinium Global Limited	31/Mar/21	-	-	-	-	-
	31/Mar/20	-	-	-	27.00	27.00
<b>Repayment of Loan Taken</b>						
Infibeam Avenues Limited	31/Mar/21	-	-	300.68	-	300.68
	31/Mar/20	-	189.50	-	-	189.50
NSI Infinium Global Limited	31/Mar/21	-	-	-	-	-
	31/Mar/20	-	-	-	329.96	329.96
<b>Rent Expenses</b>						
Infibeam Avenues Limited	31/Mar/21	-	-	57.99	-	57.99
	31/Mar/20	-	-	-	-	-
<b>Closing Balance</b>						
<b>Trade Payable</b>						
Infibeam Avenues Limited	31/Mar/21	-	-	269.98	-	269.98
	31/Mar/20	-	133.99	-	-	133.99
<b>Other payables on account of scheme of arrangement</b>						
Infibeam Avenues Limited	31/Mar/21	-	-	150.04	-	150.04
	31/Mar/20	-	-	-	-	-

**Terms and conditions of transactions with related parties**

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables.

**Commitments with related parties**

The Company has not provided any commitment to the related party as at March 31, 2021 (March 31, 2020: Rs.Nil)

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Note 25 : Earning per share

Particulars	2020-21 (INR in lakhs)	2019-20 (INR in lakhs)
<b>Earning per share (Basic and Diluted)</b>		
Profit attributable to ordinary equity holders	(47.91)	1.14
Total no. of equity shares at the end of the year	3,865,356	2,250,000
<b>Weighted average number of equity shares</b>		
For basic EPS	3,865,356	1,851,639
For diluted EPS	3,865,356	1,851,639
Nominal value of equity shares	10.00	10.00
Basic earning per share	(1.24)	0.06
Diluted earning per share	(1.24)	0.06
<b>Weighted average number of equity shares</b>		
Weighted average number of equity shares for basic EPS	3,865,356	3,865,356
Effect of dilution:	-	-
Weighted average number of equity shares adjusted for the effect of dilution	3,865,356	3,865,356

#### Note 26 : Segment reporting

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to Software development, maintenance and other ancillary services, the Company does not operate in more than one business segment.

##### A. Information about geographical areas

The Company operates in two principal geographical areas of the world, in India, its home country, and the other countries. As the Company does not operate in more than one business segment, disclosures for primary segment as required under Ind AS 108 have not been given.

##### B. Unallocated items:

Domestic geographical segment includes certain assets which are common to both the geographical segment (i.e. Domestic and Export). Non-current assets exclude financial instruments, deferred tax assets and tax assets.

##### C. Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Particulars	Year ending	INR in lakhs		
		India	Others	Total
Revenue from operations and other operating revenue	31-03-2021	890.51	1,168.98	2,059.49
	31-03-2020	154.00	932.66	1,086.66
Carrying amount of segment non-current assets *	31-03-2021	323.91	-	323.91
	31-03-2020	30.75	-	30.75

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

\* The carrying amount of Non Current Assets which do not include Deferred Tax Asset, Income Tax Assets and Financial Assets analysed the geographical area in which the Assets are located.

**Note 27 : Operating Lease**

The Company has taken a commercial premises under operating leases. The leases period is of 1 year. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognized as an expense in the Statement of Profit and Loss during the year is Rs. 5.80 million (previous year: Rs. 4.51 million)

**Note 28 : Financial instruments – Fair values and risk management**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

**Quantitative disclosures fair value measurement hierarchy for assets and liabilities:**

As at 31 March 2021

INR in lakhs

Particulars	Carrying amount				Fair value			
	Fair value through							
	Amotised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Non Current Investments	0.00	-	-	0.00	-	-	-	-
Other Non-current financial asset*	3.30	-	-	3.30	-	-	-	-
	3.30			3.30				
<b>Financial liabilities</b>								
	-	-	-	-	-	-	-	-

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

As at 31 March 2020

INR in lakhs

Particulars	Carrying amount Fair value through				Fair value			
	Amotised Cost	Other comprehensive income	Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Non Current Investments	0.00	-	-	0.00	-	-	-	-
	0.00			0.00				
<b>Financial liabilities</b>								
	-	-	-	-	-	-	-	-

The management assessed that cash and cash equivalents, other bank balances, loans, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

#### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### Level 1 - Valuation technique and significant observable inputs for assets and liabilities

Current Investment represents investment in mutual funds. The fair value of investment is derived based on the fund statement provided by the fund manager.

#### Reconciliation of Level 1 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 1 fair values.

Particulars	INR in lakhs	
	FY 2020-21	FY 2019-20
Opening Balance on April 1,	-	-
Net change in fair value (unrealised)	-	-
Purchases	-	-
Sales	-	-
<b>Closing Balance on March 31,</b>	<b>-</b>	<b>-</b>

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Level 2 - Valuation technique and significant observable inputs for assets and liabilities

Long term borrowings represents loan taken from bank. The fair value of borrowing is derived based on market observable interest rate.

The fair values of the unquoted non current investment have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

#### B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

##### I. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risk faced by the company to set appropriate risk limits and controls and monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### II. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

##### Financial Instruments and Cash Deposits

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with company's policy. Investment of surplus funds are primarily made in Liquid/Short Term Plan of Mutual Funds and in Bank Deposits which carry a high external rating.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Trade receivables

Trade receivables of the company are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which company grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

INR in lakhs

Particulars	Carrying amount as at	
	March 31, 2021	March 31, 2020
Domestic	41.99	27.15
Other regions	770.06	338.33
	<b>812.05</b>	<b>365.48</b>

#### Impairment

The ageing of trade and other receivables that were not impaired was as follows.

INR in lakhs

Particulars	Carrying amount					
	March 31, 2021			March 31, 2020		
	Gross	Less: Provision	Net	Gross	Less: Provision	Net
Neither past due nor impaired						
less than six months	340.83	-	340.83	338.61	-	338.61
more than six months	471.22	-	471.22	26.87	-	26.87
	<b>812.05</b>	<b>-</b>	<b>812.05</b>	<b>365.48</b>	<b>-</b>	<b>365.48</b>

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at March 31, 2021 and March 31, 2020



## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## Note 28 : Financial instruments – Fair values and risk management (contd.)

## III. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	INR in lakhs	
	Less than 1 Year	More than 1 Year
<b>Year ended March 31, 2021</b>		
Trade payables	269.98	-
Other financial liabilities	333.80	-
	<b>603.78</b>	<b>-</b>

Particulars	INR in lakhs	
	Less than 1 Year	More than 1 Year
<b>Year ended March 31, 2020</b>		
Trade payables	136.19	-
Other financial liabilities	55.95	-
	<b>192.14</b>	<b>-</b>

## a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits.

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Company does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

INR in lakhs

	Change in USD rate	Effect on profit before tax
March 31, 2021	+5%	38.50
	-5%	-38.50
March 31, 2020	+5%	16.92
	-5%	-16.92

#### Note 29 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	As at March 31, 2021 (INR in lakhs)	As at March 31, 2020 (INR in lakhs)
Interest-bearing loans and borrowings	-	-
Less: cash and cash equivalent (including other bank balance) (Note 5)	170.45	52.57
<b>Net debt</b>	<b>(170.45)</b>	<b>(52.57)</b>
Equity share capital (Note 8)	386.54	225.00
Other equity (Note 9)	183.69	14.73
<b>Total capital</b>	<b>570.23</b>	<b>239.73</b>
<b>Capital and net debt</b>	<b>399.78</b>	<b>187.16</b>
Gearing ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

## Note 30 : Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' (the MSMED Act') accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, which have been registered with the relevant competent authorities. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

**Note 31 :** Pursuant to Employees Stock Option Scheme (ESOP) established by the erstwhile holding company i.e. Infibeam Avenues Limited (*formerly known as Infibeam Incorporation Limited*), stock options were granted to the employees of the company. The ESOP cost is being recovered over the period of vesting by the holding company. Consequently, cost of Rs. 69.40 lakhs (March 31, 2020: Rs. 87.89 lakhs) has been recovered in current year. The cost recovered for the year is net of reversals on account of vested and unvested lapses relating to employees who have resigned during the year.

### Note 32 : Disclosure pursuant to Ind AS 115 "Revenue from contract with customers":

a) Disaggregation of revenue

The table below presents disaggregated revenue from contract with customers for the year ended March 31, 2021 by offerings.

(i) Revenue by offerings

Particulars	For the year ended March 31, 2021 (INR in Lakhs)	For the year ended March 31, 2020 (INR in Lakhs)
IT and IT enabled Services	2,059.49	1,086.66
<b>Total</b>	<b>2,059.49</b>	<b>1,086.66</b>

#### IT and IT enabled Services

It comprises of web and mobile app development, maintenance, testing and related ancillary services

(ii) Refer note 26 for disaggregation of revenue by geographical segments

(iii) The Company believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors.

b) Transaction price allocated to remaining performance obligation

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2021 is Rs. 5,98,151 which is expected to be recognize as revenue within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revalidations, and adjustments for currency.

c) Changes in contract assets are as follows:

Particulars	For the year ended March 31, 2021 (INR in Lakhs)	For the year ended March 31, 2020 (INR in Lakhs)
Balance at the beginning of the year	-	44.79
Revenue recognised during the year	1.20	-
Invoices raised during the year	-	44.79
<b>Balance at the end of the year</b>	<b>1.20</b>	<b>-</b>

## NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

d) Changes in unearned and deferred revenue are as follows:

Particulars	INR in Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	-	-
Revenue recognised that was included in the excess billing over revenue at the beginning of the year	-	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	5.98	-
Translation exchange difference	-	-
Balance at the end of the year	5.98	-

### Note 33 : Acquisition of Themepark & Event Software Undertaking vide Scheme of Arrangement

The Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its order dated November 27, 2020, sanctioned the Composite Scheme of Arrangement amongst Infibeam Avenues Limited ('Infibeam'), Suvidhaa Infoserve Limited ('Suvidhaa'), DRC Systems India Limited ('DRC') and NSI Infinium Global Limited ('NSI') and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ('Scheme') leading to Transfer and vesting of the SME E-Commerce Services Undertaking from Infibeam to Suvidhaa and Themepark & Event Software Undertaking from Infibeam to DRC. The Scheme became effective upon filing of certified copy of the order with the Registrar of Companies (RoC) on December 2, 2020. The Appointed Date for the Composite Scheme of Arrangement was April 1, 2020 and the Record Date was set as December 11, 2020 for the purpose of determining the shareholders for issuance of Equity Shares.

#### Acquisition of Themepark & Event Software Undertaking :

In accordance with the provisions of the aforesaid scheme, upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Themepark & Event Software Undertaking into DRC pursuant to the provisions of this Scheme, DRC has, without any further act or deed, issued and allotted to each shareholder of Infibeam, whose name is recorded in the register of members and records of the depositories as members of Infibeam, on the Record Date in the following ratio:

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.

In accordance with the scheme, the acquisition of undertakings has been accounted as prescribed by Ind AS 103 "Business Combinations".

Accordingly, the accounting treatment has been given as under:

All the assets and liabilities of acquired undertaking as at April 01, 2020 have been recorded at their fair values and the net assets value have been adjusted against Capital Reserves under Other Equity. The equity shares have been allotted during the year post approval of scheme out of the said reserve.

## NOTES

### TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)

#### Assets acquired and liabilities assumed

The fair value of the assets and liabilities acquired of Themepark & Event Software Undertaking as at the date of acquisition (April 01, 2020) were as follows:

Particulars	As at April 01,2020 (INR in lakhs)
<b>Assets</b>	
Property, plant and equipments	1.16
Intangible assets	508.71
Trade receivable	10.62
Cash and cash equivalent	39.93
<b>Liabilities</b>	
Other financial liabilities	(6.05)
Other current liabilities	(183.22)
<b>Total net assets at fair value</b>	<b>371.15</b>

#### Equity shares issued as per Scheme of Arrangement out of Capital Reserve are as follow

Particulars	No. of shares	INR in lakhs
Equity shares of Rs. 10 each	1,615,356	161.54

**Note 34 :** World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on 24-03-2020 which has impacted the business activities of the Company. On account of this, the Company has prepared cash flow projections and also, assessed the recoverability of receivables, contract assets using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and nonfinancial assets. The Company will continue to closely monitor any material changes to future economic conditions.

**Note 35 :** Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of current year.

**NOTES****TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (continued)**

As per our report of even date

For, **Rajpara Associates**  
Chartered Accountants

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

ICAI Firm's Registration No. 113428W

CIN: U72900GJ2012PLC070106

**Chandramaulin Rajpara**  
**Partner**

Membership No.046922  
Place : Ahmedabad  
Date : May 14, 2021

**Hiten Barchha**

Managing Director  
DIN: 05251837  
Place : Gandhinagar  
Date : May 14, 2021

**Keyur Shah**

Chairman  
DIN: 03111182  
Place : Gandhinagar  
Date : May 14, 2021

**Janmaya Pandya**

Chief Financial Officer  
Place : Gandhinagar  
Date : May 14, 2021

**Jainam Shah**

Company Secretary  
Place : Gandhinagar  
Date : May 14, 2021



## DRC SYSTEMS INDIA LIMITED

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### **REGISTERED OFFICE:**

24<sup>th</sup> Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar,  
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