DRC SYSTEMS

August 29, 2025

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 **Company Code No.: 543268**	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **Company Symbol: DRCSYSTEMS**

Dear Sir / Madam,

Sub: Notice of 13th Annual General Meeting and Annual Report for the F.Y. 2024-25

This is to inform you that the 13th Annual General Meeting ("AGM") of the Company will be held on Thursday, September 25, 2025 at 11.00 a.m. (IST) through Video Conferencing / Other Audio-Visual Means.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith the Annual Report of the Company for the Financial Year 2024-25 along with the Notice convening 13th Annual General Meeting ("AGM"), which is being sent to the Members of the Company through electronic mode, who have registered their e-mail addresses with the Depositories/Company and a letter providing a web-link for accessing the Annual Report who have not registered their E-mail IDs in compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Annual Report 2024-25 containing the Notice of 13th AGM is also available on the website of the Company at www.drcsystems.com.

The Company is pleased to provide its members the facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means. The date and time of remote e-voting facility are as under:

Sr. No.	Particular	Details
1	AGM date and time	Thursday, September 25, 2025 at 11.00 a.m.
2	Cut-off date for e-voting	Thursday, September 18, 2025
3	E-voting start time	9.00 a.m. on Sunday, September 21, 2025
4	E-voting end time	5:00 p.m. on Wednesday, September 24, 2025

We request you to kindly take the same on your records.

Thanking you,

Yours faithfully,

For DRC Systems India Limited

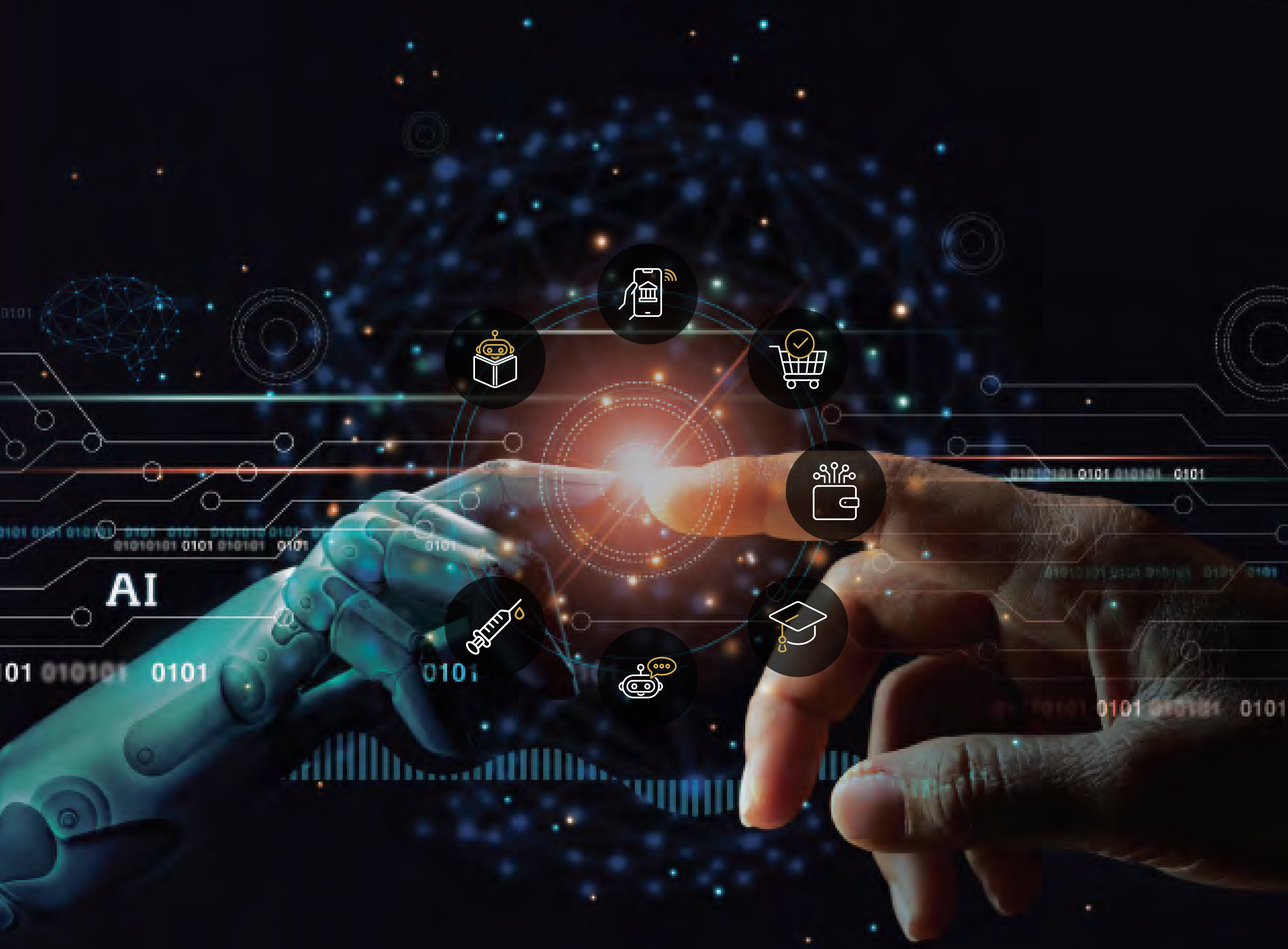
Jainam Ashvinkumar Shah
Digitally signed by Jainam Ashvinkumar Shah
Date: 2025.08.29 16:37:03 +05'30'

Jainam Shah
Company Secretary

Encl.: As above

DRC SYSTEMS

AI-Driven Solutions for a Smarter Tomorrow



DRC Systems India Limited
Annual Report
2024-25

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CORPORATE IDENTITY NUMBER:

L72900GJ2012PLC070106

REGISTERED OFFICE:

24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar – 382 050 Gujarat, India

WEBSITE:

www.drcsystems.com

Investor Email- ID:

ir@drcsystems.com

LISTED ON:

The BSE Limited (543268)
The National Stock Exchange of India Limited (DRCSYSTEMS)

STATUTORY AUDITORS:

M/s. Rajpara Associates
Chartered Accountants

SECRETARIAL AUDITORS:

Mr. Jitendra Leeya
Company Secretaries

BANKERS:

HDFC Bank Limited
ICICI Bank Limited
Axis Bank Limited

REGISTRARS & SHARE TRANSFER AGENTS:

MUFG Intime India Private Limited
(Formerly known as 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@in.mpms.mufg.com Website: www.in.mpms.mufg.com

ABOUT DRC SYSTEMS

Innovation and Commitment since 2012

DRC Systems India Limited, "DRC Systems", "Company" is an IT services, consulting, and business solutions organisation that has been partnering with many of the world's largest businesses in their digital transformation journeys for 13 years. Its consulting-based and AI-driven range of business, engineering, and technology services is delivered with an Agile approach, which is widely considered a standard for excellence in software development. The Company has consistently delivered value-for-money and effective solutions through IT for the global market by creating a professional environment for our talent, stakeholders, and clients. During the year, DRC Systems received its CMMI Level-3 accreditation from ISACA.

For more than 13 years, DRC Systems has been aiding businesses in tackling complex challenges as a global IT services and solutions provider, combining hands-on experience with a focus on client requirements. The IT industry was still in its infancy when the company started, but the vision of the founders was clear and strong. DRC Systems India Limited was founded as an IT services company to help businesses stay ahead of the curve in a dynamically evolving digital world with emerging technologies delivering future-ready solutions. Today, its operations spread across 3 countries, accelerating the digital transformation journey for our clients with services like Cloud Engineering, Mobile and Web Application Development, Learning Management Systems (LMS), Analytics, and Automation.

Driven by courage, vision, and determination, the founding team created DRC Systems with decades of global business expertise. The Company's deep-rooted experience gives us the confidence and capabilities to solve the most complex challenges of enterprises across all industries. Some of them include institutions, enterprises, government agencies, international brands, industry leaders, and start-ups.

Today, the company navigates in a world reshaped by rapid, unprecedented change— a new normal that demands agility and innovation. These changing times have taught us that the workplace today is more than just a destination to accomplish goals. It is now a place where individuals, technology, and space connect to spark digital experiences and innovations. The fast-paced evolution across industries has reaffirmed our belief that teamwork makes the dream work, and that there should be no barriers to innovation and collaboration, which are the essential ingredients of a successful corporate governance philosophy. It is in these turbulent times that DRC Systems has stepped up.

The Company has made strides to uphold our mission, vision, and values; to continually transform by reimagining our capabilities and embracing innovative leadership approaches. We have walked the extra mile, recalibrated our investment approach, embarked on a sustainable journey, and identified new opportunities — particularly in emerging technologies like AI, ML, Blockchain, and IoT — that will propel us to bring greater value to our clients.

DRC Systems stands by its clients through every high and low, delivering the right solutions to help them grow and succeed. Along the way, it has helped them move to the cloud, enhance innovation, adopt new business models, and gain a competitive edge. Now it is helping them transform their operations with Cloud and DevOps practices and giving them the agility, resilience, and efficiency needed to weather the storm. Its clients see it as their preferred all-weather partner, making its services a core part of their operations and its business consistently resilient. The Company transforms and refines the business activities of enterprises and delivers smart solutions that save time and improve workflow.

OUR TECH SPECTRUM

Mobile Solutions

- iOS (Objective C, Swift)
- Android (Kotlin, Java)
- Flutter
- React Native
- Progressive Web Apps

Cloud and DevOps

- AWS
- DevOps
- Datacenter
- GIT
- Azure
- Google Cloud

Web Solutions & Frameworks

- Python
- Microsoft .NET Core
- Java
- PHP
- WordPress
- Pimcore
- Node.JS
- Angular
- ReactJS
- Magento
- TYPO3
- Shopware
- Odoo
- Open edX®

Digital Transformation

- Digital Marketing
- ERP
- Process Automation
- HubSpot
- Enterprise Solutions

Emerging Technologies

- Artificial Intelligence
- Deep Analytics
- Marketplace Integration
- Machine Learning
- Salesforce
- Blockchain
- Big Data
- Engineering Services

VERTICALS

DRC Systems' IT solutions have consistently been at the forefront of innovation, targeting various verticals and industries over the past 13 years for businesses of all types and sizes.

Retail

Defining the metamorphosis for the modern age consumer.

Education

Offering ultimate learning experience through domain expertise & modern solutions

Manufacturing

Streamlining the dynamic supply chain to move the world.

Healthcare

Bridging the gap between technology and patient data management.

Public Sector

Reshaping government administration with Digital solutions

BFSI

Rewiring the future of banking with modern-age solutions.

FEW CUSTOMERS AND PARTNERSHIPS

N·S·D·C National Skill Development Corporation — Transforming the skill landscape

IIMA विद्याविनियोगाद्विकास:

Adventure Island — Amusement Park, New Delhi

આપણી મેટ્રો

wipro foundation

Ahmedabad University

Baako Consulting LLC

भारतीय प्रबंध संस्थान बेंगलूर — INDIAN INSTITUTE OF MANAGEMENT BANGALORE

GJEPC INDIA — Sponsored by Ministry of Commerce & Industry

G&A GOVERNANCE & ACCOUNTABILITY INSTITUTE, INC.™

OUR SERVICES

Digital Experience

- Web Development
- Mobile Application Development
- Digital Learning / e-Learning
- Digital Commerce / e-Commerce
- Content Management System (CMS)
- QA Engineering and Testing

Digital Transformation

- Application Modernization
- Digital Process Automation
- Enterprise Resource Planning (ERP)
- Product and Platform Engineering
- Agile Consulting
- Resource Augmentation

Cloud and DevOps

- Cloud Strategy & Consulting
- Cloud Migration
- Cloud Orchestration
- Cloud Infrastructure Management

Emerging Technologies

- Artificial Intelligence (AI) & Machine Learning (ML)
- Blockchain-Powered Platforms
- Advanced Analytics & Insights
- Chatbots & Virtual Assistants
- Custom Solutions Using Cutting-Edge Technologies

Board of Directors

& Key Managerial Personnel:

Mr. Keyur Jagdishchandra Shah

Non-Executive Independent Director & Chairman

M M C

Mr. Hiten Ashwin Barchha

Managing Director (KMP)

M M

Mr. Janmaya Preyas Pandya

Executive Director and Chief Financial Officer (KMP)

M

Mr. Sanket Khemuka

Non- Executive Director

M

Mr. Jigar Pradipchandra Shah

Independent Director

C C M C

Ms. Dipti Abhijeet Chitale

Independent Director

M

Mr. Jainam Ashvinkumar Shah

Company Secretary and Compliance Officer (KMP)

Board Committees

C Chairman M Member

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Shaping the Future of Technology & Learning

CHAIRMAN'S
MESSSAGE

It gives me great joy to share that DRC Systems India Limited has achieved remarkable growth and progress this fiscal year. Our financial performance this year reflects our clear vision, strategic execution, and collective effort. Our revenue saw substantial growth, reaching ₹6537.70 lakhs—a 37% increase year-over-year. Additionally, our profitability improved significantly, with EBITDA up by 42% to ₹ 2120.90 lakhs and Profit After Tax (PAT) increasing by 29% to ₹ 1507.50 lakhs.

Fiscal 2025 marked not just a year of growth but also a shift in how we approached opportunity. Instead of waiting for one, we created our own with agile practices, early action, and aligning our capabilities with demanding needs in global markets. In a rapidly competitive market and fast-changing environment, we have been able to deliver significant value to our stakeholders internationally by entering the US market and by strengthening our presence in the Middle East region through planned collaborations with local partners.

Our success is largely attributed to the timely and decisive leadership of our Managing Director, whose strategic pivot has yielded impressive results. The outcome is clear in our annual performance, with consolidated revenue, EBITDA, and PAT increasing by 37%, 42%, and 29%, respectively.

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

This year, we also ventured into the adoption of GenAI services in our software division. We feel confident in our ability to capitalize on this opportunity since it will unlock significant value to our organization.

Under the dynamic leadership of our Managing Director, Mr. Hiten Barchha, we have ventured into new territories with meticulous preparation. I am pleased to say that your company is well-positioned for significant growth in the years to come.

As I look into the future, I see our expanding product portfolio built on AI, ML, and blockchain, along with immense international expansion, backed by the company's technological prowess.

There is a renewed sense of energy within the company, driven by a focus on innovation and strategic preparation. We are excited about what the future is going to hold for us. As the saying goes, "The best way to see the future is to create it."

I am confident in stating that FY24-25 was a year of innovation under exceptional leadership, setting the stage for DRC Systems to seize even better opportunities that lie ahead. Starting the next fiscal year, I will walk confidently in it because I believe in our company as a whole. After all, "Great things in business are never done by one person. They are done by a group of people."

Thank You,

Keyur Shah

Chairman

MD'S
MESSSAGE

Dear Shareholders, Customers, and Stakeholders,

As we wrap up another remarkable year, I feel proud and grateful for the people, partnerships, and the shared determination that have brought us to where we are today. Our unwavering commitment to our theme, "Shaping Tomorrow Through Digital Innovation," perfectly summarizes our journey of innovation, growth, and excellence.

This year, we have not only envisioned the future but actively shaped it. Our financial performance reflects not only our strong financial results but also the power of strategic thinking and digitally driven execution. We have consistently exceeded expectations, demonstrating our ability to navigate a dynamic market landscape with resilience and innovation.

We are proud to report the company's best-ever annual performance, with record highs across Revenue, EBITDA, Profit Before Tax, Profit After Tax, and Cash Flow from Operations. These results are a testament to our focused execution, operational discipline, and the trust our clients continue to place in us. Our teams have consistently delivered value, and this milestone reflects the strength of our strategy, our people, and our commitment to long-term, sustainable growth.

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

Technology is at the core of what we do, and this year has been no exception. We have continued to invest in cutting-edge technologies, such as AI, Blockchain, and advanced eLearning platforms, ensuring that we stay ahead of the curve.

Our previous year's efforts to expand internationally, along with offerings of PaaS on LCNC as a service, have delivered tangible results, with a substantial rise in revenue contribution this quarter. With AI adoption accelerating across software, services, and hardware, our focus will be on GenAI services, paving the way for broader software-driven innovations at a later stage.

Our focus on higher-margin services, operational efficiency, and automation has directly contributed to the strong improvement in profitability. This is a clear reflection of our team's disciplined execution and strategic clarity.

As we look ahead, our focus remains clear— driving growth through innovation, efficient execution, and building meaningful strategic partnerships. We will also deepen our investments in research and development, strengthen our global presence, and stay affixed when it comes to client-centricity. We are committed to exploring new horizons, transforming more ideas into digital realities, and delivering exceptional value to all our stakeholders.

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

I am confident that with our shared wisdom, deep expertise, and relentless focus, we will continue turning bold ideas into digital realities, building value for all stakeholders.

Thank You,

Hiten Barchha

Managing Director

Delivering Strong Financials

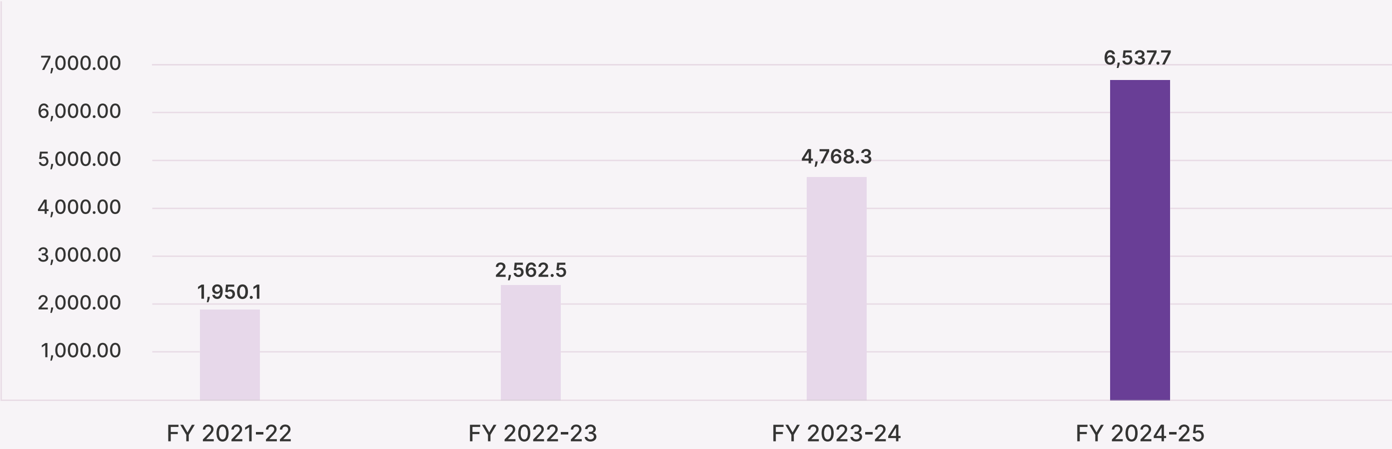
Key Consolidated Performance Indicators

1. Revenue from Operations ▲ 37.1%

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenue from Operations	1,950.1	2,562.5	4,768.3	6,537.7

(₹ in Lakhs)

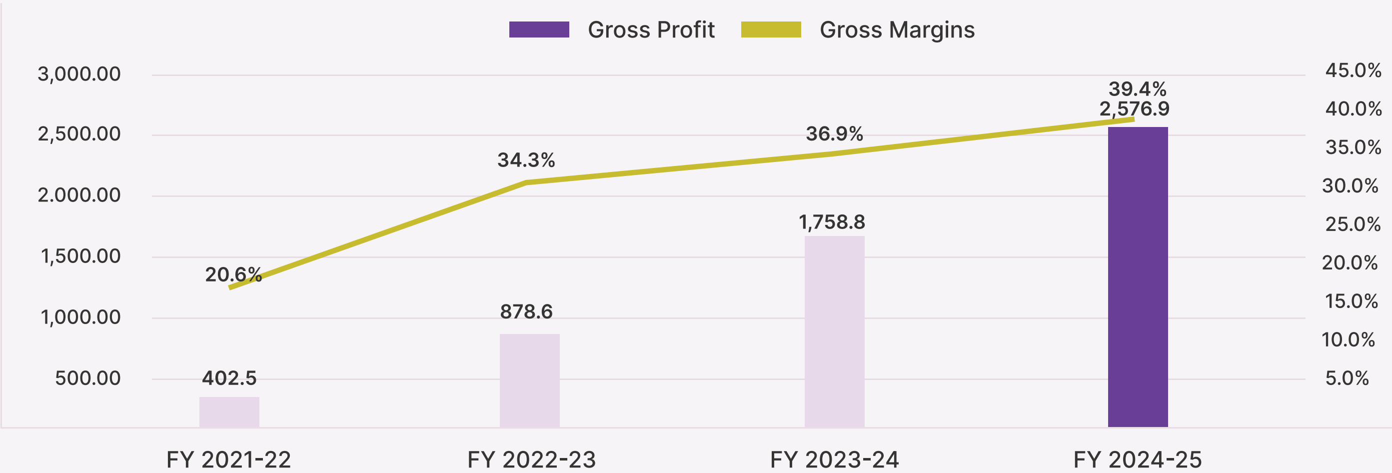


2. Gross Profit and Margins ▲ 46.5%

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Gross Profit	402.5	878.6	1,758.8	2,576.9
Gross Margins	20.6%	34.3%	36.9%	39.4%

(₹ in Lakhs)



Delivering Strong Financials

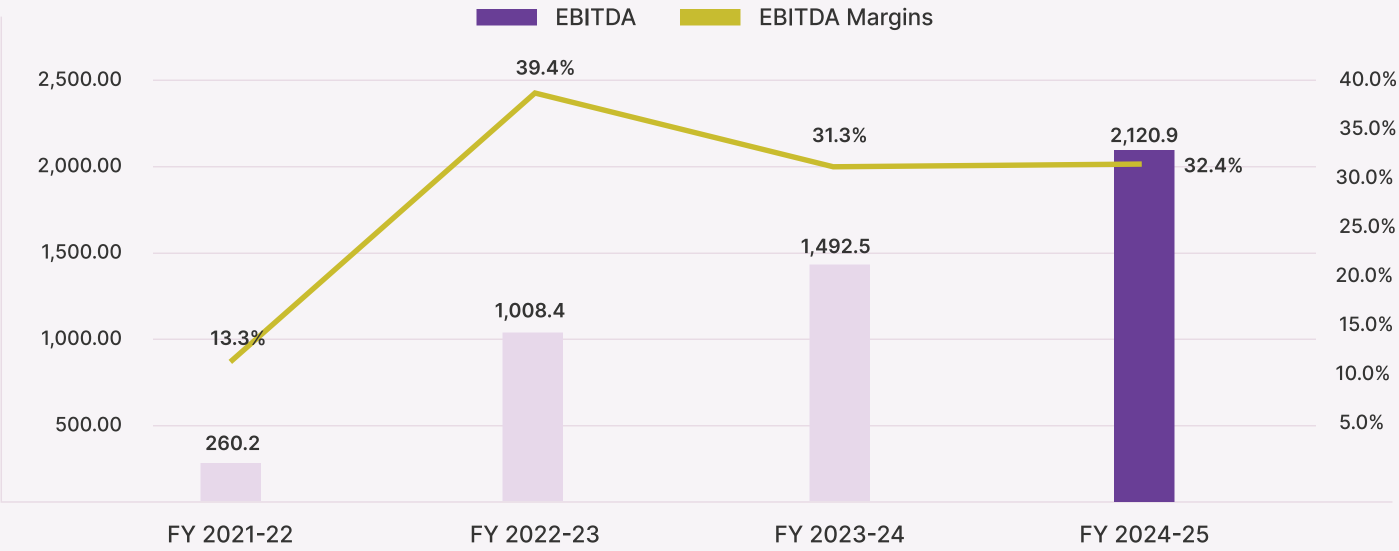
Key Consolidated Performance Indicators

3. EBITDA and EBITDA Margins ▲ 42.1%

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
EBITDA	260.2	1,008.4	1,492.5	2,120.9
EBITDA Margins	13.3%	39.4%	31.3%	32.4%

(₹ in Lakhs)

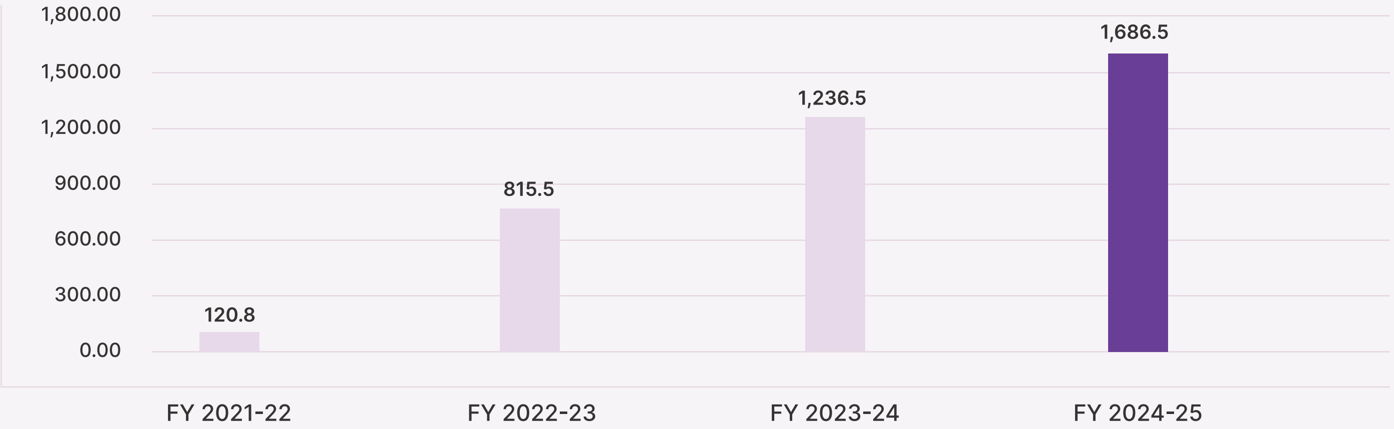


4. Profit Before Tax ▲ 36.4%

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
PBT	120.8	815.5	1,236.5	1,686.5

(₹ in Lakhs)



Delivering Strong Financials

Delivering Strong Financials

Key Consolidated Performance Indicators

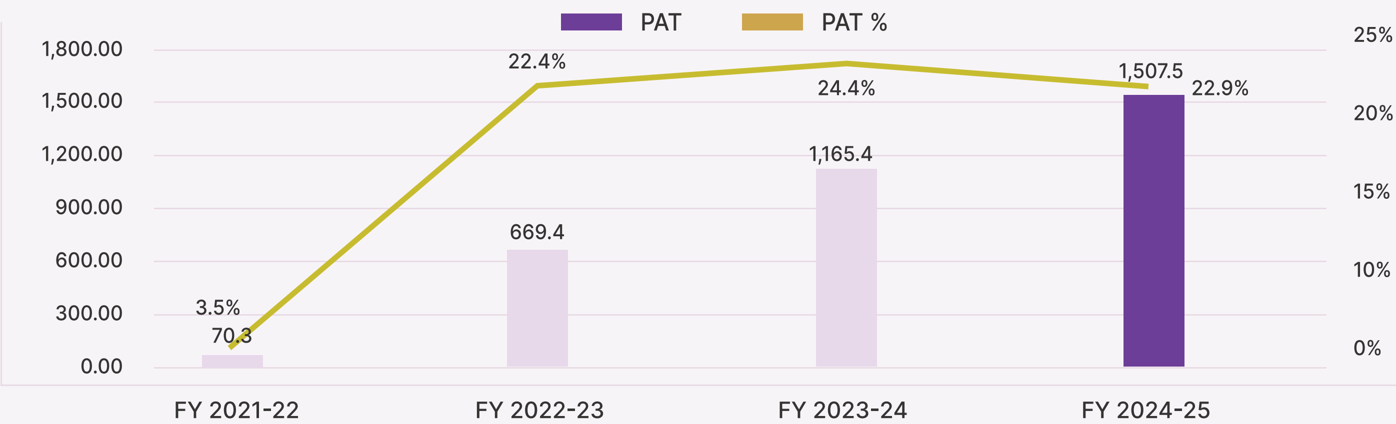
5. PAT and Net Margins

▲ 29.4%

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
PAT	70.3	669.4	1,165.4	1,507.5
PAT %	3.5%	22.4%	24.4%	22.9%

(₹ in Lakhs)



Management Discussion and Analysis

MACRO-ECONOMIC INDUSTRY OVERVIEW

With increasing geo-economic fragmentation, financial sector vulnerabilities, and the climate crisis, businesses are struggling to find their footing. Digital transformation has emerged as the lifeline many organizations are looking for – not just to survive, but to build something more consistent and customer-focused than what came before. Global IT service providers offer a wide range of services, including software development, digital transformation, IT business solutions and consulting, research and development, technology infrastructure, and business process services. They are equipped to help enterprises across diverse sectors tackle current challenges. These providers back their claims with their expertise to support organizations in various industries. The focus of IT projects has shifted from external, such as revenue generation and customer experience, to more internal, including fixing operational inefficiencies and refining internal processes.

The IT services sector is experiencing significant momentum. Throughout the fiscal year 2025 we're seeing clients pour money into cost optimization, operational excellence, and digital transformation projects. They are improving vendors, seeking productivity gains, undertaking customer experience projects, driving innovation in products and services, managing talent, exploring the future of the workplace and workforce, and implementing environmental, social, and governance (ESG) initiatives. Meanwhile, the software spending is surging as organizations figure out how to stop struggling with outdated systems and need to invest more in platforms that can drive real results, like enterprise resource planning (ERP) and customer relationship management (CRM) systems.

Worldwide IT spending is expected to total $5.62 trillion in 2025, an increase of 9.8% from 2024, according to the latest forecast by Gartner, Inc. Spending in the Indian information technology (IT) sector is projected to reach significant growth, with a continued focus on double-digit growth rates across key segments, according to recent projections from Gartner. The growth is expected in all major segments, including software, devices, IT services, and data center systems.

Segment	2024 Spending	2024 Growth (%)	2025 Spending	2025 Growth (%)
Data Center Systems	329,132	39.4	405,505	23.2
Devices	734,162	6.0	810,234	10.4
Software	1,091,569	12.0	1,246,842	14.2
IT Services	1,588,121	5.6	1,731,467	9.0
Communications Services	1,371,787	2.3	1,423,746	3.8
Overall IT	**5,114,771**	**7.7**	**5,617,795**	**9.8**

Source: Gartner (January 2025)

DRC Systems' Business & Its Overview

Solving Client Challenges with Digital Solutions

DRC Systems India Limited is an IT services, consulting and business solutions company delivering high-quality and effective solutions through IT for the global market by creating a professional environment for our talent, stakeholders, and clients. Ever since it was established in 2012, the primary focus has been on achieving smooth results through innovation and creativity. With skilled teams of developers, project managers, and strategists, DRC Systems is dedicated to helping our customers tackle their business challenges by providing customized software development solutions.

DRC Systems serves a global customer base across Europe, the United States, the Middle East, Asia-Pacific, Australia, and India. The company focuses on key industry verticals including financial services, retail and consumer, education, and the public sector.

DRC Systems' broad range of technology services enables it to build stronger relationships with its clients, increasing organic growth and strategic transactions. The company has expanded its portfolio by combining organic expansion and strategic acquisitions. This diversified approach allows DRC Systems to develop deeper client relationships and effectively cross-sell across different service lines. The company has successfully designed and implemented its service framework to meet the needs of both small and large corporations in India and abroad. DRC Systems' strong business model generates consistent revenue with profitable earnings, validating the strength and sustainability of its operations.

Equipping equal talent to deliver business success

Human Resources

Our workforce represents the cornerstone of both customer success and DRC Systems' continued growth. Our skilled and dedicated workforce has constantly adapted itself to the dynamic needs of our customers and technological changes. They have been crucial in delivering relevant solutions and services to our clients, thereby exceeding industry benchmarks. Our model is based on the belief that what is good for our people and our customers is good for DRC Systems. This philosophy has allowed us to improve our future work strategy by introducing balance and flexibility in the workplace. As a result, we have created programs, policies, and practices to enhance the well-being, engagement, and skill development of our workforce. These practices will establish the foundation of our program and make it more future-ready.

DRC Systems recognizes its responsibility to establish positivity, security, and supportiveness in its workforce environment. We also have a clearly defined Code of Conduct to ensure that ethical business practices are maintained at all levels of the organization. To align organizational objectives with employee performance, the company has established a fair and objective performance management system. Our appraisal processes allow us to recognize and reward top-performing employees with competitive compensation packages.

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

DRC Systems actively identifies and onboards a variety of professionals, including developers, architects, project leaders, and middle management. We also highly emphasize hiring talented students who have consistently displayed high levels of meritocracy from multiple campuses in India. At DRC Systems, we emphasize employee engagement and actively support skill development to keep pace with rapid digital transformation. Recognizing the value of a diverse and inclusive workforce, the company actively promotes gender diversity and strives for balanced representation. This is why 22% of the total workforce comprises women, contributing to improved innovation and guiding our business strategies. In today's competitive market, it remains important to attract and retain incredible software engineers with graduate or postgraduate degrees in engineering, equipped with relevant technical skills.

We focus highly on our employees, prioritizing their mental health, skill development, and the expansion of our talent pool. The culture and work environment serve as a reason for the pride of our company, as we strive to create a supportive and nurturing atmosphere. We are committed to continuously investing in its employees, ensuring they have the right approach to unlock their full potential. As of March 31, 2025, the team at DRC Systems consisted of 216 employees.

Age Group	Male	Female	Total
20-30	93	33	126
31-40	62	13	75
41-50	13	2	15
51-60	-	-	-
Total	**168**	**48**	**216**

Talent strategy

Given the competitive talent landscape in the global IT sector, we continue to attract and retain skilled professionals at DRC Systems. This year, we have focused on understanding the various needs of a multigenerational team and executing strategies that align with their aspirations. To improve the experience of potential candidates, we upgraded our talent acquisition systems, particularly for offshore hiring. The new process brings higher speed and accuracy to the identification and onboarding of talent. A key area of progress has been in our internal teams and processes. By prioritizing internal mobility, we're not only reducing external hiring efforts but also creating meaningful growth opportunities for our team members. This approach supports career upskilling while ensuring that business needs are met by people who already understand our culture and values. At DRC Systems, we personalize our every approach regarding talent development, aligning individual goals with organizational priorities so that our teams can deliver consistent, high-quality outcomes for our clients.

Initiatives to Enhance our Employee Value Proposition

At DRC Systems, we are determined to create an environment where work is meaningful, teams share a purpose, and each individual feels empowered to contribute to something larger than themselves. We believe in both personal and professional growth, which is why our employees are encouraged to build their skills, explore new career paths, and take ownership of their development. This not only shapes their future but also strengthens our organization as a whole. Our culture is built on collaboration, support, and shared ambition. It enables every employee to move forward with confidence, knowing they are part of a community that values their journey and stands with them every step of the way.

Employee Experience

We strive to create an incredible employee experience by designing consistent and best-in-class policies, processes, programs, and systems, by focusing on creating 'Experience by Design'. We collect employee feedback to enhance our offerings and develop positive experiences. We are determined to build memorable moments that matter and use technology to promote the right behavior among managers and teams. A few initiatives in fiscal 2025:

- **Skill Development Workshops:** To improve our employees' talent and inform them about current market trends and industry standards.
- **Digital Efforts**: We have enhanced our people practices with technology and automation to achieve quicker workforce efficiency, engagement, transformation, and innovation.
- **Celebrations & Cultural Activities:** Birthday celebrations and team-building activities to reduce work stress and keep them relaxed. This improves team bonding and overall productivity of our employees.
- **People analytics:** Analytics played a critical role in planning interventions during the last financial year. Advanced modelling tools, along with employee Pulse analytics and manager dashboards, helped us improve our talent strategy and retention. We also leveraged analytics effectively in the move to hybrid work.

Prospective Busainess Opportunities

- **Artificial Intelligence (AI):** Initiatives are expected to grow, focusing on new products, pricing optimization, targeting new clients in a recessionary environment, promotional impact, and channel efficiency. Most of the AI projects will be created around data monetization themes. However, the ticket or deal size of these initiatives is expected to be small to moderate in size.
- **Cybersecurity** will instantly be the centre of focus due to higher Cloud adoption.
- **Automation Theme** will become popular once again, which is good news for the vendors operating dealing with this space. The RPA or Hyper Automation projects will get further ammunition during 2025.
- **Customer Engagement** and service-driven initiatives using platform/reengineering and modern architecture are likely to be the only exceptions that will get new funding amid the uncertain environment

Risk Factors – Mitigation & Opportunities

The company understands the importance of effectively managing and mitigating risks to protect the company's business, its clients, and all its stakeholders. The company aims to ensure its long-term sustainability and success by actively maintaining and mitigating risks.

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

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

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

STRENGTHS

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

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

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

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

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

WEAKNESSES

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

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

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

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

OPPORTUNITIES

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

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

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

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

THREATS

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

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

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

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

Internal Control Systems & Their Adequacy

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

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

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

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

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

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

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

Consolidated Financial Performance

Revenue from operations	EBITDA	EBITDA Margin	PBT	PAT	Net Margin
₹6,537.71 *Lakhs* 37.1%	**₹2,120.89** *Lakhs* 42.1%	**32.4%**	**₹1,686.55** *Lakhs* 36.4%	**₹1,507.49** *Lakhs* 29.4%	**22.9%**

Analysis of Revenue

1. Revenue from Operations

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Operating Revenue	6,537.70	4,768.30	37.1%

- Revenue increased from Rs.4768.30 lakhs in FY 2023-24 to Rs.6537.70 lakhs in FY 2024-25
- The annual growth was driven by the successful acquisition of new projects across domestic and international markets, along with higher revenue contributions from existing clients through expanded service engagements
- In accordance with Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Group operates in one business segment i.e. IT and IT enabled Services including web and mobile app development, maintenance, testing and related ancillary services.

2. Other Income

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Other Income	34.40	10.97	213.5%

- Other Income increased from Rs.10.97 lakhs in FY 2023-24 to Rs.34.40 Lakhs in FY 2024-25

Analysis of Expenses

3. Contracting Expenses

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Contracting Expenses	1,972.09	1,179.65	67.2%
% of Revenue	30.2%	24.7%	

- Amidst ongoing challenges in swiftly mobilizing resources and a tightening talent market, the Company has strategically increased its reliance on subcontracting to meet project demands and capitalize on new growth opportunities.
- As a result, contracting expenses rose from Rs.1,179.65 lakhs in FY 2023–24 to Rs.1,972.09 lakhs in FY 2024–25.
- Despite this increase, the Company remains focused on improving margins by proactively hiring fresh talent and strengthening its internal capabilities through continuous training and development initiatives.

Consolidated Financial Performance

4. Employee Benefit Expenses

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Employee Benefit Expenses	1,988.69	1,829.81	8.7%
% of Revenue	30.4%	38.4%	

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

5. Finance Costs

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Finance Costs	4.78	6.00	-20.4%
% of Revenue	0.1%	0.1%	

- Finance Costs have decreased from Rs.6.00 lakhs in FY 2023-24 to Rs.4.78 lakhs in FY 2024-25
- The company continues to closely monitor its liqudity position and deploys a robust cash management system

6. Depreciation and Amortization Expenses

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Depreciation and Amortization Expenses	429.56	254.76	68.6%
% of Revenue	6.6%	5.3%	

- Depreciation and Amortization expenses have increased from Rs.254.76 lakhs in FY 2023-24 to Rs.429.56 in FY 2024-25 in view new addition to the fixed assets during the year.

7. Other Expenses

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Other Expenses	503.21	277.26	81.5%
% of Revenue	7.7%	5.8%	

- Other expenses increased from Rs.277.26 lakhs in FY 2023–24 to Rs.503.21 lakhs in FY 2024–25. This rise was primarily driven by higher software and office-related expenses, along with a one-time charge related to the write-off of bad debts.

8. Income Tax

(₹ in Lakhs)

	FY 2024-25	FY 2023-24	Change
Income Tax	179.06	71.09	151.9%
Profit Before Tax	1,686.55	1,236.49	36.4%
Tax as % of Profit before tax	10.6%	5.7%	

- Income tax as a % of Profit Before Tax has increased mainly on account of increase in Profit before tax from Rs.1236.49 lakhs in FY 2023-24 to Rs.1686.55 in FY 2024-25

Consolidated Financial Performance

9. Ratios

Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24
Trade receivables turnover ratio	Income from Operations	Average Trade Receivables	4.44	3.75
Trade payables turnover ratio	Contracting Expenses	Average Trade Payables	17.76	21.30
Current Ratio	Current Assets	Current Liabilities	0.92	1.03
Debt Equity Ratio	Borrowings	Total Equity	0.00	0.00
Debt Service Coverage Ratio	EBITDA	Interest + Principal	-	-
Return on equity ratio	EBIT	Total Assets less Total Liabilities	26.19%	25.98%
Net Profit Margin	Net Profit	Total Income	22.94%	24.38%
EBITDA Margin	EBITDA	Operating Revenue	32.4%	31.3%
Operating Profit Margin	EBIT	Operating Revenue	25.9%	26.0%
Earnings Per Share	PAT	Weighted Average Number of Equity Shares	1.14	0.88
ROCE	EBIT	Total Assets less Current Liabilities	25.60%	25.00%

IMPORTANT NOTES FOR THE SHAREHOLDERS

Dear Shareholder,

- **Physical Shares:**

  As per the SEBI Master circular no. SEBI/HO/ MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, read with circular no. SEBI/HO/MIRSD/ POD-1/P/CIR/2024/81 dated June 10, 2024 ('SEBI Circular'), whereby SEBI has mandated furnishing the following information by holders of securities in physical form:

  a. PAN linked with Adhaar
  b. Choice of nomination
  c. KYC details that includes i. contact details ii. bank account details iii. specimen signature.

  The SEBI Circular further mandates that any service request or grievance shall be entertained or any payment, including payment of dividends, shall be made electronically to the security holders holding securities in physical form, only upon furnishing of the Valid PAN and the KYC Details, as mentioned above, against their respective folios. You are requested to forward the duly filled in Form ISR-1, Form ISR-2 and Form SH-13/Form ISR-3 along with the related proofs mentioned in the respective forms to the RTA of the Company at the earliest.

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

  Transactions involving issue of share certificates including issuance of duplicate share certificates, Split, re-materialisation, consolidation and renewal of share certificates etc. should be addressed to RTA of the Company at below mentioned address:

  To,
  MUFG Intime India Private Limited
  Unit – DRC Systems India Limited
  5th Floor, 506-508,
  Amarnath Business Centre-1 (ABC-1),
  Besides Gala Business Centre,
  Near St. Xavier's College Corner,
  Off C G Road, Ellisbridge, Ahmedabad – 380 006
  Tel No.: +91 79 2646 5179/86/87
  Email: ahmedabad@in.mpms.mufg.com
  Website: www.in.mpms.mufg.com

As per the SEBI Master circular no. SEBI/HO/MIRSD/ POD-1 /P/CIR/2024/37 dated May 07, 2024, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In terms of the circular, the Registrar and Share Transfer Agents will verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any. The 'Letter of Confirmation' will be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities. In case the shareholders or claimant fails to submit a demat request within the aforesaid 120 days, the shares would be credited to a Suspense Escrow Demat Account opened by the Company. The Company shall issue shares from Suspense Escrow Demat Account as and when the shareholder or claimant approaches the Company.

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

As per the SEBI Listing Regulations, shares cannot be transferred unless they are held in dematerialized mode. Shareholders who hold shares in physical form are advised to convert them into dematerialized mode to avoid the risk of losing shares, fraudulent transactions and to receive better investor servicing. Only valid transmission or transposition cases that comply with the SEBI guidelines will be processed by the RTA of the Company. To transfer, transmit or transpose shares in physical form, shareholders should submit them to the office of the Company's Registrar & Transfer Agent - MUFG Intime India Private Limited (RTA).

- **Unclaimed Sale proceed of Fractional Shares:**

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

  Members, who have not yet claimed their amount, are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, i.e. MUFG Intime India Private Limited. Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2025 on the website of the Company www.drcsystems.com.

  In case the net sales proceeds of Fractional Shares are not claimed by the due date, necessary steps will be initiated by the Company to transfer the outstanding net sales proceeds of Fractional Shares to IEPF without further notice, in accordance with the Rules. Please note that no claim shall lie against the Company in respect of the net sales proceeds of Fractional Shares so transferred to IEPF.

- **Unclaimed Shares:**

  Members, who have not yet claimed their unclaimed shares, are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, i.e. MUFG Intime India Private Limited. Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of unclaimed Shareholders lying with the Company as on March 31, 2025 on the website of the Company www.drcsystems.com.

  In case the unclaimed shares are not claimed by the due date, necessary steps will be initiated by the Company to transfer to IEPF without further notice, in accordance with the Rules. Please note that no claim shall lie against the Company in respect of the Unclaimed Shares so transferred to IEPF.

- **Registration of email id:**

  To support the "Green Initiative", Members holding shares in physical form are requested to notify/send their Email Id to the RTA of the Company by providing necessary details like Folio No., Name of the shareholder. In addition, Members holding shares in the demat form are requested to contact their respective Depository Participant and register their email id for receiving all communication from the Company electronically.

Notice of the 13th Annual General Meeting

NOTICE is hereby given that the 13th ANNUAL GENERAL MEETING of the Members of DRC SYSTEMS INDIA LIMITED will be held on Thursday, September 25, 2025 at 11:00 a.m. IST through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following business:

Ordinary Business:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt:

a) The audited standalone financial statements of the Company for the Financial Year ended March 31, 2025, together with the reports of the Board of Directors and Auditors thereon and;

b) The audited consolidated financial statements of the Company for the Financial Year ended March 31, 2025 together with the report of Auditors thereon.

Item No. 2 – Appointment of Mr. Janmaya Preyas Pandya (DIN:09019756) as a Director, liable to retire by rotation

To appoint a Director in place of Mr. Janmaya Preyas Pandya (DIN:09019756), who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business:

Item No. 3 – Offer and Issue of Equity Shares on Preferential Basis

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the applicable provisions of Section 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and such other applicable rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) (hereinafter referred to as the "Act"), the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations") (including any amendments, modifications or re-enactments thereof for the time being in force) and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India ("SEBI") and/ or uniform listing agreements in terms of the SEBI Listing Regulations entered into by the Company with BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (together, the "Stock Exchanges") where the securities of the Company are listed, the applicable provisions of the Foreign Exchange Management Act, 1999 and any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs("MCA"), the Reserve Bank of India ("RBI") and/or any other competent authorities (hereinafter referred to as "Applicable Regulatory Authorities") from time to time, to the extent applicable and enabling provisions of the Memorandum and Articles of Association of the Company, as amended and such other approvals, permissions, sanctions and consents as may be necessary and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be) imposed by any other regulatory authorities and which may be accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include Securities Allotment Committee or any other committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred on the Board by this resolution), the consent and approval of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 1,00,00,000 (One Crore) fully paid up Equity Shares of Re. 1/- (Rupee One Only) each at a price of Rs. 25/- (Rupees Twenty Five only) per Equity Share [including a premium of Rs. 24/- (Rupees Twenty Four Only) per Equity Share] each ("Issue Price") payable in cash, which is not less than the floor price determined in accordance with Chapter V of the SEBI ICDR Regulations, aggregating upto

Rs. 25 Crores, in one or more tranches, to Shiv Minechem, ("Proposed Allottee"), not being Promoter or Promoter Group entity, on Preferential Issue basis in accordance with the provisions of Chapter V of SEBI ICDR Regulations, in such manner and on such terms and conditions as are stipulated in the explanatory statement attached hereto and as may be determined by the Board in its absolute discretion in accordance with the SEBI ICDR Regulations and other applicable laws.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V of the SEBI ICDR Regulations, the "Relevant Date" for the purpose of calculating the floor price for the Preferential Issue of Equity Shares be and is hereby fixed as Tuesday, August 26, 2025, being the date that is 30 days prior to the date of the Annual General Meeting i.e. Thursday, September 25, 2025.

RESOLVED FURTHER THAT the Equity Shares being offered, issued and allotted to the Proposed Allottee by way of Preferential Issue shall inter-alia be subject to the following terms and conditions:

a) The Equity Shares allotted to the Proposed Allottee shall rank pari-passu inter-se with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights) and shall be subject to the Memorandum of Association and Articles of Association of the Company.

b) The price determined above shall be subject to appropriate adjustments as permitted under the SEBI ICDR Regulations, rules, regulations and laws, as applicable from time to time.

c) The Equity Shares shall be allotted by the Company to the Proposed Allottee in dematerialized form within a period of 15 (Fifteen) days from the date of receipt of Members' approval or such other extended period as may be permitted in accordance with the SEBI ICDR Regulations. Where the allotment of the said Equity Shares is pending on account of pendency of approval of any Regulatory Authority (including but not limited to Stock Exchanges and/or SEBI), the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

d) Proposed Allottee shall be required to bring in entire consideration for the relevant Equity Shares on or before the date of allotment hereof.

e) The consideration for allotment of the relevant Equity Shares shall be paid to the Company from the bank account of the Proposed Allottee.

f) The Equity shares so offered, issued and allotted shall not exceed the number of Equity shares as approved hereinabove.

g) The Equity Shares allotted to the Proposed Allottee pursuant to this Preferential Issue and where applicable, the pre-preferential allotment holding of the Proposed Allottee shall be subject to applicable lock-in requirements for such period in accordance with Chapter V of the SEBI ICDR Regulations.

h) The Equity Shares to be allotted to the Proposed Allottee shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

i) The Equity Shares so offered, issued and allotted will be listed on the BSE and NSE, subject to the receipt of necessary regulatory permissions and approvals as the case may be.

RESOLVED FURTHER THAT the monies received by the Company from the proposed allottee, for subscription of the Equity Shares pursuant to the Preferential Issue shall be kept by the Company in a separate account opened by the Company for this purpose and shall be utilized by the Company in accordance with the provisions of the SEBI Regulations and the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT subject to the receipt of such approvals as may be required under applicable laws, the consent of the Members of the Company be and is hereby accorded to record the names and details of the Proposed Allottee in Form PAS-5, and issue a private placement offer cum application letter in Form PAS-4, to the Proposed Allottee in accordance with the provisions of the Act, after passing of this resolution with a stipulation that the allotment would be made only upon receipt of In-principle approval from the Stock Exchange(s) i.e., BSE Limited and National Stock Exchange of India Limited within the timelines prescribed under the applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares, apply to Stock Exchanges for obtaining of in-principle and listing approval of the Equity Shares and other activities as may be necessary for obtaining listing and trading approvals and listing thereof with the Stock Exchanges as appropriate and utilization of proceeds of the Preferential Issue, open one or more bank accounts in the name of the Company or otherwise, as may be necessary or expedient in connection with the Preferential Issue, file necessary forms with the appropriate authority or expedient in this regard and undertake all such actions and compliances as may be necessary, desirable or expedient for the purpose of giving effect to this resolution in accordance with applicable law including the SEBI ICDR Regulations and the SEBI Listing Regulations take all other steps which may be incidental, sequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred upon it by these resolutions, as it may deem fit in its absolute discretion, to any Committee of the Board or to any one or more directors, officer(s) or authorized signatory (ies) including execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors, intermediaries and Legal Advisors to give effect to the aforesaid resolution and further to do all such acts, deeds, matters and things, as they may consider necessary, expedient or desirable for giving effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

Item No. 4 – Appointment of Secretarial Auditor

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), and as per the recommendations of Audit committee and Board of Directors of the Company, consent of the Members be and is hereby accorded for appointment of Mr. Jitendra Leeya, Practising Company Secretary (Peer reviewed certificate number: 2089/2022) as the Secretarial Auditor of the Company, to hold office for a term of 5 (five) consecutive years from the conclusion of the 13th Annual General Meeting (AGM) until the conclusion of the 18th AGM of the Company to be held in the Financial Year 2029-30, on such remuneration as may be mutually agreed upon between the Board of Directors and the Secretarial Auditor.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to determine the remuneration of the Secretarial Auditor including the revision in the remuneration during the tenure, if any, in consultation with the Secretarial Auditor, and to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

Item No. 5 – Re-appointment of Mr. Keyur Jagdishchandra 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 a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification (s) or re-enactment(s) thereof, for the time being in force and based on the recommendation of Nomination and Remuneration Committee, and the Board of Directors, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Keyur Jagdishchandra Shah (DIN: 03111182), who holds office of Independent Director for first term of 5 (five) consecutive years up to December 04, 2025 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and sub-section (6) of Section 149 of the Act, as amended from time to time, and who is eligible for reappointment as Non-Executive Independent Director, for the second term as per the provisions of the Act, the Rules and the Listing Regulations, and in respect of whom the Company has received a notice in writing, under Section 160 of the Act, from a Member proposing his candidature as Non-Executive Independent Director of the Company, for the second term of five years with effect from December 05, 2025 to December 04, 2030 (both days inclusive).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, and to take such actions/ decisions in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

Item No. 6 – Re-appointment of Mr. Jigar Pradipchandra 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 a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification (s) or re-enactment(s) thereof, for the time being in force and based on the recommendation of Nomination and Remuneration Committee, and the Board of Directors, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Jigar Pradipchandra Shah (DIN: 08174430), who holds office of Independent Director for first term of 5 (five) consecutive years up to December 04, 2025 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and sub-section (6) of Section 149 of the Act, as amended from time to time, and who is eligible for reappointment as Non-Executive Independent Director, for the second term as per the provisions of the Act, the Rules and the Listing Regulations, and in respect of whom the Company has received a notice in writing, under Section 160 of the Act, from a Member proposing his candidature as Non-Executive Independent Director of the Company, for the second term of five years with effect from December 05, 2025 to December 04, 2030 (both days inclusive).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, and to take such actions/ decisions in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

Item No. 7 – Re-appointment of Ms. Dipti Abhijeet 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 a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification (s) or re-enactment(s) thereof, for the time being in force and based on the recommendation of Nomination and Remuneration Committee, and the Board of Directors, consent of the members of the Company be and is hereby accorded for the re-appointment of Ms. Dipti Abhijeet Chitale (DIN: 08991506), who holds office of Independent Director for first term of 5 (five) consecutive years up to December 09, 2025 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and sub-section (6) of Section 149 of the Act, as amended from time to time, and who is eligible for reappointment as Non-Executive Independent Director, for the second term as per the provisions of the Act, the Rules and the Listing Regulations, and in respect of whom the Company has received a notice in writing, under Section 160 of the Act, from a Member proposing her candidature as Non-Executive Independent Director of the Company, for the second term of five years with effect from December 10, 2025 to December 09, 2030 (both days inclusive).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, and to take such actions/ decisions in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

Item No. 8 – Approval of Material Related Party Transactions with AppiZap LLC FZ

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

"RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and other applicable provisions, if any of the Listing Regulations, Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014, as applicable and any amendments thereto, other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions or modification(s) of earlier/ arrangements/ transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with AppiZap LLC FZ ("AppiZap"), an Associate of Wholly Owned Subsidiary of the Company, a related party of the Company, for a period commencing from this 13th Annual General Meeting upto the date of next 14th Annual General Meeting of the Company to be held in the year 2026, up to a maximum aggregate value of Rs. 2,000 Lakhs (Rupees Two Thousand Lakhs only) plus applicable taxes, in the ordinary course of business of the Company and at arm's length basis on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and AppiZap.

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

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

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

Item No. 9 – Increase in the Authorized Share Capital and Consequent Alteration of Memorandum of Association

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

"RESOLVED THAT pursuant to the provisions of Sections 13, 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), (including any amendment thereto or re-enactment thereof), enabling provisions of the Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), or any other applicable laws for the time being in force and subject to all other necessary approvals, permissions, consents and sanctions, if required, of concerned statutory, regulatory and other appropriate authorities, if any, the consent of the Members of the Company be and is hereby accorded to increase the existing Authorized Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity

Shares of Face Value of Re. 1/- (Rupee One Only) each to Rs. 17,50,00,000 (Rupees Seventeen Crores Fifty Lakhs Only) divided into 17,50,00,000 (Seventeen Crores Fifty Lakhs) Equity Shares of Face Value of Re. 1/- (Rupee One Only) each by addition of 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Face Value of Re. 1/- (Rupee One Only) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

"V. The Authorised Share Capital of the Company is Rs. 17,50,00,000 (Rupees Seventeen Crores Fifty Lakhs Only) divided into 17,50,00,000 (Seventeen Crores Fifty Lakhs) Equity Shares of Face Value of Re. 1/- (Rupee One Only) each."

RESOLVED FURTHER THAT Mr. Hiten Barchha, Managing Director and/ or Mr. Janmaya Pandya, Executive Director& Chief Financial Officer of the Company and/or Mr. Jainam Shah, Company Secretary, be and are hereby severally authorized to sign and submit required e-forms with the Ministry of Company Affairs – MCA and to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution."

Registered Office:
24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5,
GIFT CITY, Gandhinagar – 382 050,
Gujarat, India

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

Jainam Shah
Company Secretary

Date: August 26, 2025

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special businesses mentioned in the above Notice is annexed herewith.
2. A statement providing additional details of the Directors seeking appointment / re-appointment at the ensuing AGM of the Company are given in this Notice as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').
3. In compliance with the circulars issued by the Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 date September 25, 2023, 9/2024 dated September 19, 2024 and other relevant circulars ("MCA Circulars") read with the earlier circulars of Securities and Exchange Board of India and Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 October 03, 2024, which does not require physical presence of the Members at common venue. In view of this, the 13th Annual General Meeting (AGM) is being conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM"). The registered office of the Company shall be deemed to be the venue for the AGM.
4. Pursuant to the provisions of the Companies Act, 2013 ("Act"), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or Governing Body Resolution/Authorization Letter/power of attorney etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company by e-mail at ir@drcsystems.com.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
8. The name of the RTA changed from "Link Intime India Private Limited" to "MUFG Intime India Private Limited" (MUFG Intime/RTA) with effect from December 31, 2024 upon acquisition of Link group by Mitsubishi UFJ Trust & Banking Corporation.
9. In line with the aforesaid Circulars, the Notice of AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA / Depositories. Further, as per Regulation 36(1)(b) of the SEBI Listing Regulations, as amended, a letter containing the web-link, including the exact path, where complete details of the Annual Report are available, is being sent to all the shareholders who have not registered their Email IDs with the Company / RTA / Depositories. Members may note that the Notice and the Annual Report 2024-25 has been uploaded on the website of the Company at www.drcsystems.com. The Notice and Annual Report 2024-25 can also be accessed from the websites of the Stock Exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the e-voting website of MUFG Intime India Private Limited ("MUFG") (agency for providing the Remote e-Voting facility) i.e. https://instavote.linkintime.co.in.

   The Company has also published an advertisement in the newspapers containing the details about the AGM i.e. the conduct of the AGM through VC/OAVM, date and time of the AGM, availability of notice of the AGM along with Annual Report 2024-25 at the Company's website and manner of registering the email IDs, Mobile No. and bank mandate of those Members who have not registered the said details with the Company/ Company's Registrar and Share Transfer Agent, i.e. MUFG Intime India Private Limited.

10. Shareholders seeking any information with regard to financial statements or any matter to be placed at the AGM are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
11. To prevent fraudulent transactions, Members holding shares in physical form are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members holding shares in demat form are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
12. To support the "Green Initiative", Members holding shares in physical form are requested to notify/send their email id and bank account details to the Registrar & Share Transfer Agent (RTA) of the Company i.e. MUFG Intime India Private Limited. In addition, members holding shares in the demat form are requested to contact their respective Depository Participant and register their email id and bank account for receiving all communication including Annual Report 2024-25, Notices, Circulars, etc. from the Company electronically.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.
14. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred, transmitted and transposed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the RTA of the Company i.e. MUFG Intime India Private Limited for assistance in this regard.

    Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. To avoid any inconvenience, you are requested to kindly convert your shares in demat form. In case of any clarification, shareholders are requested contact to the RTA at ahmedabad@in.mpms.mufg.com

15. Pursuant to Section 72 of the Act, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the RTA of the Company i.e. MUFG Intime India Private Limited. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant. The Nomination Form is available on the Company's website i.e.www.drcsystems.com.
16. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
17. SEBI vide its Circular Nos. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 read with SEBI/HO/MIRSD/ PoD-1/P/CIR/2024/81 dated June 10, 2024 has provided common and simplified norms for processing investor's service request by RTA's and norms for furnishing PAN, KYC and Nomination details.

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

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

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

18. SEBI introduced Online Dispute Resolution Mechanism ("ODR Mechanism") through various circulars including its updated Master Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023 i.e. "Master Circular for Online Dispute Resolution". The said Master Circular and the process note are available on the website of the Company at www.drcsystems.com. As per the said circulars, investors shall first take up their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the investor may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal at https://scores.sebi.gov.in/, in accordance with the process laid out therein. After exhausting all available options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she can initiate dispute resolution through the ODR Portal athttps://smartodr.in/login. Alternatively, the investor/client can initiate dispute resolution through the ODR Portal if the grievance lodged with the Company was not satisfactorily resolved in accordance with and subject to the relevant SEBI circulars. It must be noted that the dispute resolution through the ODR portal can be initiated only if such complaint / dispute is not pending before any arbitral process, court, tribunal or consumer forum or if the same is non-arbitrable under Indian Law. There shall be no fees for registration of a complaint/dispute on the ODR portal, and the fees for conciliation or arbitration process including applicable GST, stamp duty etc. shall be borne by the Investor /Company/ other market participant as the case may be.

19. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act, the certificate from Secretarial Auditor of the Company certifying that the Employee Stock Option Scheme of the Company has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021and all other documents referred to in the Notice will be available for inspection in electronic mode during the AGM.

20. The Members can join the AGM through the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restrictions on account of first come first served basis.

21. Members desiring to claim unclaimed shares and net proceeds of Fractional Shares are requested to correspond with RTA as mentioned above or to the Company at its Registered Office. Members are requested to note that, shares and net proceeds of Fractional Shares if not claimed for a consecutive period of 7 years from the date of its allotment, are liable to be transferred to the demat account of the IEPF Authority and Investor Education and Protection Fund ("IEPF"), respectively as per Section 124 of the Act, read with applicable IEPF rules. In view of this, Members/Claimants are requested to claim their unclaimed shares and net proceeds of fractional shares from the Company, within the stipulated timeline.

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

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

    a. For Members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to ir@drcsystems.com.

    b. Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant.

23. General Information:

i. Shareholders/Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

ii. Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

iii. Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

iv. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

v. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker in advance at least 7 days before the AGM by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio Number, PAN, mobile number at ir@drcsystems.com. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

24. VOTING THROUGH ELECTRONIC MEANS:

A. In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of Listing Regulations and in terms of SEBI vide circular no. SEBI/ HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, and any other applicable provisions as amended, the Company is pleased to offer the facility of voting through electronic means and the businesses set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by MUFG Intime India Private Limited.

B. The Members, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

C. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participant in the AGM through VC but shall not be entitled to cast their vote again.

D. The remote e-voting period, commences at 09:00 a.m. on Sunday, September 21, 2025 and ends at 05:00 p.m. on Wednesday, September 24, 2025. 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. Thursday, September 18, 2025, 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 Sunday, September 21, 2025 and ends at 05:00 p.m. on Wednesday, September 24, 2025 or e-Voting during the AGM. Once the vote on a resolutions is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

E. The results of the electronic voting shall be disclosed to the Stock Exchanges along with the Scrutinizer's Report and shall be placed on the website of the Company.

F. 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 Thursday, September 18, 2025.

25. 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. 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	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click athttps://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• 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 arehttps://web.cdslindia.com/myeasitoken/Home/Login. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, MUFG Intime, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is availableat https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E -Voting is in progress.

Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & e-voting service provider isMUFG InTime.	1. Open the internet browser and launch the URL: • Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No. + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. E. Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above • Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). • Click "confirm" (Your password is now generated). 2. Click on 'Login' under '**SHARE HOLDER**' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'. 4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link). 7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL 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 MUFG Intime, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@! #$&*), at least one numeral, at least one alphabet and at least one capital letter.

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

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/depository participant's website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	• Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	• Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

26. 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.in.mpms.mufg.com/>>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).

27. 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.

28. In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@in.mpms.mufg.com or contact on: - Tel: 022-49186175.

29. Other Instructions:

(i) M/s. SPANJ & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting system on the date of the AGM in a fair and transparent manner.

(ii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and make, within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or Company Secretary or a person authorized by the Chairman in writing, who shall countersign the same.

(iii) Based on the report received from the Scrutinizer, the Company will submit within Two working days of the conclusion of the Meeting to the stock exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited, details of the voting results as required under Regulation 44(3) of the Listing Regulations and that shall also be placed on the Company's website www.drcsystems.com and on the website of MUFG Intime at https://instavote.linkintime.co.in

(iv) Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No. 3 – To Offer and Issue Equity Shares on Preferential Basis

The Board of Directors at its meeting held on Tuesday,August 26, 2025, subject to the approval of the Members of the Company and such other necessary approvals as may be required, has approved the raising of funds by way of issuance and allotment of upto 1,00,00,000 (One Crore) fully paid up Equity Shares of Re. 1/- (Rupee One Only) each at a price of Rs. 25/- (Rupees Twenty Five only) per Equity Share [including a premium of Rs. 24/- (Rupees Twenty Four Only) per Equity Share] each ("Issue Price") payable in cash, aggregating upto Rs. 25 Crores (Rupees Twenty Five Crores Only) on Preferential Issue Basis to Shiv Minechem, ("Proposed Allottee") in accordance with the provisions of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

Pursuant to the above transaction, there would be no change in the management or control or would not result in transfer of ownership of the Company to the Proposed Allottee.

As per the provisions of Sections 42, 62 and other applicable provisions, if any, of the Act, and the SEBI ICDR Regulations,approval of shareholders by way of a special resolution is required for allotment of Equity Shares on a preferential basis by way of a private placement.

Therefore, the consent of the Members is being sought by way of a special resolution to issue Equity Shares to the Proposed Allottee in accordance with the provisions of the Act, the SEBI ICDR Regulations and any other applicable laws.

Necessary information/details in relation to the Preferential Issue as required under the SEBI ICDR Regulations and the Companies Act, 2013 ("Act") read with the rules issued thereunder, are set forth below:

a. **Objects of the Preferential Issue:**

The Issue Proceeds shall be utilized towards following objects of the Preferential Issue:

Sr. No.	Nature of Utilisation	Amount (In Rs.)*	Tentative timeline for utilization of funds
1	To meet working capital requirements	2,00,00,000	Within 12 months from the date of receipt of funds
2	Prepayment / Repayment of Liabilities	13,00,00,000	Within 12 months from the date of receipt of funds
3	Making investments including investment in Subsidiaries Companies	3,75,00,000	Within 12 months from the date of receipt of funds
4	General corporate purposes**	6,25,00,000	Within 12 months from the date of receipt of funds
	Total	**25,00,00,000**	

*Considering 100% subscription of Equity Shares within the stipulated time.

** The amount to be utilized towards general corporate purpose does not exceed 25% of the issued proceeds.

b. **Kinds of securities offered and the price at which security is being offered and total number of specified securities to be issued:**

Preferential Issue of up to 1,00,00,000 Equity Shares at the issue price of Rs. 25/- (including premium of Rs. 24/-), aggregating up to 25,00,00,000/- (Rupees Twenty Five Crores Only) in terms of the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and applicable provisions of Companies Act, 2013.

c. Basis on which the price has been arrived at:

The Company's Equity Shares are listed on the BSE Limited and the National Stock Exchange of India Limited and are frequently traded in accordance with Regulation 164 of the ICDR Regulations. For the purpose of computation of the price per Equity Share, National Stock Exchange of India Limited, the Stock Exchange which has the higher trading volume in respect of the Equity Shares of the Company, during the preceding 90 Trading days prior to the relevant date has been considered.

The Floor Price of Rs. 19.79/- is determined as per the pricing formula prescribed under Chapter V of SEBI ICDR Regulations for the Preferential Issue of warrant and is higher of the following:

a. 90 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the National Stock Exchange of India Limited ('NSE') preceding the Relevant Date: i.e. Rs. 19.79/- per Equity Share;

b. 10 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company quoted on the National Stock Exchange of India Limited ('NSE') preceding the Relevant Date: i.e. Rs. 17.54/- per Equity Share.

c. As per the valuation report dated August 26, 2025 issued by Chetankumar J Shah, an Independent Registered Valuer Entity (Reg. No. IBBI/RV/06/2020/13505), certifying the floor price to be Rs. 17.76/- per Equity Share. The Valuation Report dated August 26, 2025 is also made available on the website of theCompany at https://www.drcsystems.com/wp-content/uploads/2025/08/Valuation-Report.pdf as per the condition prescribed in the Chapter V of SEBI ICDR Regulations and the Articles of Association of the Company for determination of price incase of Preferential Issue.

In terms of the applicable provisions of the SEBI ICDR Regulations, the Board proposes to issue Equity Shares at a Price of Rs. 25/- (Rupees Twenty Five only) per Equity Share, which is higher than the above Floor Price determined in accordance with Chapter V of SEBI ICDR Regulations.

d. The price or price band at/within which the allotment is proposed:

The price per Equity Share to be issued is fixed at Rs. 25/- (Rupees Twenty Five only) which consists of Rs. 1/- (Rupee One Only) as Face Value and Rs. 24/- (Rupees Twenty Four Only) as premium per Equity Share. Kindly refer to the abovementioned point no. c for the basis of determination of the price.

e. Relevant Date with reference to which the price has been arrived at:

The "Relevant Date" as per Chapter V of the SEBI ICDR Regulations for the determination of the floor price for the Equity Shares of the Company is Tuesday, August 26, 2025, being the date 30 days prior to the date of Annual General Meeting ("AGM").

f. Intent of the Promoters, Directors or Key Managerial Personnel or Senior Management of the issuer to subscribe to the offer:

The Promoters or the Promoter Group, Directors or the Key Management Personnel or Senior Management do not intend to subscribe to the offer of Equity Shares under the Preferential Issue.

g. Shareholding Pattern of the issuer before and after the Preferential Issue:

The pre issue shareholding pattern of the Company as on August 22, 2025 and the post-issue shareholding pattern is mentioned herein below:

Sr. No.	Descriptions	Pre-Issue Shareholding		Post-Issue Shareholding*	
		No. of Shares	% of holding	No. of Shares	% of holding
A	Promoter and Promoter Group Shareholding				
(1)	Indian				
a	Individuals/Hindu undivided Family	2,97,23,280	22.17	2,97,23,280	20.63
b	Central Government/ State Government(s)	-	-	-	-
c	Financial Institutions/ Banks	-	-	-	-

d	Any Other (specify)	-	-	-	-
	Sub-Total (A)(1)	**2,97,23,280**	**22.17**	**2,97,23,280**	**20.63**
(2)	**Foreign**				
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
b	Government	-	-	-	-
c	Institutions	-	-	-	-
d	Foreign Portfolio Investor	-	-	-	-
e	Any Other (specify)	-	-	-	-
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**2,97,23,280**	**22.17**	**2,97,23,280**	**20.63**
B	**Public Shareholding**				
(1)	**Institutions (Domestic)**				
a	Mutual Funds				
b	Venture Capital Funds	-	-	-	-
c	Alternate Investment Funds	5,00,000	0.37	5,00,000	0.35
d	Banks	-	-	-	-
e	Insurance Companies	-	-	-	-
f	Provident Funds/ Pension Funds	-	-	-	-
g	Asset reconstruction com-panies	-	-	-	-
h	Sovereign Wealth Funds	-	-	-	-
i	NBFCs registered with RBI	-	-	-	-
j	Other Financial Institutions	-	-	-	-
k	Any Other (specify)	-	-	-	-
	Sub-Total (B)(1)	**5,00,000**	**0.37**	**5,00,000**	**0.35**
(2)	**Institutions (Foreign)**				
a	Foreign Direct Investment	-	-	-	-
b	Foreign Venture Capital Investors	-	-	-	-
c	Sovereign Wealth Funds	-	-	-	-
d	Foreign Portfolio Investors Category I	210	0.00	210	0.00
e	Foreign Portfolio Investors Category II	2,355	0.00	2,355	0.00

f	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-
g	Any Other (specify)	-	-	-	-
	Sub-Total (B)(2)	**2,565**	**0.00**	**2,565**	**0.00**
(3)	**Central Government / State Government(s)**				
a	Central Government / President of India	-	-	-	-
b	State Government / Governor	-	-	-	-
c	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	-	-	-	-
	Sub-Total (B)(3)	**-**	**-**	**-**	**-**
(4)	**Non-institutions**				
a	Associate companies / Subsidiaries	-	-	-	-
b	Directors and their relatives (excluding independent directors and nominee directors)	1,49,710	0.11	1,49,710	0.10
c	Key Managerial Personnel	75,770	0.06	75,770	0.05
d	Relatives of promoters (other than ‘immediate relatives’ of promoters disclosed under ‘Promoter and Promoter Group’ category)	-	-	-	-
e	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	-	-	-	-
f	Investor Education and Protection Fund (IEPF)	-	-	-	-
g	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	2,01,99,332	15.07	2,01,99,332	14.02
h	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	3,46,26,461	25.83	3,46,26,461	24.03
i	Non-Resident Indians (NRIs)	22,45,566	1.67	22,45,566	1.56
j	Foreign Nationals	-	-	-	-

k	Foreign Companies	-	-	-	-
l	Bodies Corporate	4,26,53,778	31.81	4,26,53,778	29.60
m	Any Other (specify)				
	-Clearing Member	2,07,495	0.15	2,07,495	0.15
	-Hindu Undivided Family	10,93,798	0.82	10,93,798	0.76
	-LLP	25,60,735	1.91	25,60,735	1.78
	-Trusts	840	0.00	840	0.00
	-Unclaimed or Suspense or Escrow Account	42,000	0.03	42,000	0.03
	- Firm	-	-	1,00,00,000	6.94
	Sub-Total (B)(4)	**10,38,55,485**	**77.46**	**11,38,55,485**	**79.02**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)	**10,43,58,050**	**77.83**	**11,43,58,050**	**79.37**
C	**Non-Promoter- Non Public Shareholder Shareholding**				
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	-	-	-	-
(2)	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-
	"Total Non-Promoter - Non Public Shareholding (C)= (C)(1)+(C)(2)"	-	-	-	-
	Total (A+B+C2)	**13,40,81,330**	**100.00**	**14,40,81,330**	**100.00**
	Total (A+B+C)	**13,40,81,330**	**100.00**	**14,40,81,330**	**100.00**

***Notes:**

1. The post issue shareholding pattern in the above table has been prepared on the basis that the proposed allottee of Equity Shares will subscribe to all the Equity Shares which they are intent to do so. In the event for any reason, the proposed allottee do not or are unable to subscribe to and/or are not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.
2. It is further assumed that shareholding of the Company in all other categories will remain unchanged.
3. The Company will ensure compliance with all applicable laws and regulations including the SEBI ICDR Regulations at the time of allotment of equity shares of the Company.

h. Name and address of valuer who performed valuation:

The Valuation was performed by Chetankumar J Shah, an Independent Registered Valuer, (Reg. No. IBBI/RV/06/2020/13505), having his office at 311, Sampada, Nr. Mithakhali Cross Road, B/H L G Showroom, Navrangpura, Ahmedabad - 380009.

i. Amount which the Company intends to raise by way of such securities:

The Company intends to raise upto Rs. 25.00 Crores (Rupees Twenty Five Crores Only).

j. Material terms of the proposed Preferential Issue of Equity Shares:

The material terms of the proposed Preferential Issue of Equity Shares are stipulated in the special resolution as set out at Item No. 3 of this Notice.

k. The class or classes of persons to whom the allotment is proposed to be made:

The Equity Shares are proposed to be issued and allotted to Shiv Minechem on Preferential Issue basis under the Non-Promoter Category of the Company.

l. Principle terms of assets charged as securities: Not Applicable

m. Time frame within which the preferential issue shall be completed:

In accordance with SEBI ICDR Regulations, the allotment of equity shares shall be completed within a period of fifteen (15) days from the date of passing of the special resolution by members of the Company, provided that where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen (15) days shall be counted from the date of the order on such application or the date of approval or permission, as the case may be.

n. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee:

The name of the Proposed Allottee is Shiv Minechem.

The Company has obtained the PAN: ADFFS7160R of the Proposed Allottee.

Mr. Raj Ahir, PAN: ANWPA3828K and Mr. Vinay Shivji Dangar, PAN: AQHPD5427F are ultimate beneficial owners of the Proposed Allottee and ultimately controls the Proposed Allottee.

o. The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:

The percentage of post preferential issue capital that may be held by the Proposed Allottee and change in control, if any in the Company consequent to the preferential issue is as below:

Sr. No.	Name of Proposed Allottee(s)	Category	Natural persons who are the ultimate beneficial owners	Pre Issue Shareholding		No. of Equity Shares to be allotted	Post Issue Shareholding	
				No. of Shares	% of Share-holding		No. of Shares	% of Share-holding
1	Shiv Minechem	Public - Body Corporate	Partners: 1. Mr. Raj Ahir PAN: ANWPA3828K 2. Mr. Vinay Shivji Dangar PAN: AQHPD5427F	0	0.00	1,00,00,000	1,00,00,000	6.94

Further, there will be no change in the management or control of the Company consequent upon proposed offer and allotment.

p. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:

The Current and proposed status of the Proposed Allottee post the preferential issue is "Non-Promoter Category".

q. Practicing Company Secretary's Certificate:

A certificate from CS Jayesh Thummar, Proprietor of J V Thummar & Associates, Practicing Company Secretary, certifying that the Preferential issue is being made in accordance with requirements of SEBI ICDR Regulations shall be placed before the General Meeting of the shareholders. The same is also available at the website of the Company at https://www.drcsystems.com/wp-content/uploads/2025/08/Compliance-Certificate.pdf

r. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

The Company has not made any preferential allotment during the current Financial Year 2025-26.

s. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable as the allotment of Equity Shares under the Preferential Issue is for cash consideration.

t. Lock-in Period:

1. The Equity Shares to be allotted shall be subject to lock-in in accordance with Chapter V of the SEBI ICDR Regulations
2. The entire pre-preferential allotment shareholding of the above Allottee, if any, shall be locked-in as per the requirement of Chapter V of the SEBI ICDR Regulations.

u. Listing:

The Equity Shares will be listed on the Stock Exchanges at which the existing shares are listed subject to the receipt of necessary regulatory permissions and approvals as the case may be. The above shares, once allotted, shall rank pari passu with the then existing Equity Shares of the Company in all respects.

v. Undertaking:

1. Neither the Company nor any of its Directors or Promoters are categorized as wilful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulter(s) issued by the Reserve Bank of India. Consequently, the disclosures required under Regulation 163 of the SEBI ICDR Regulations are not applicable.
2. Neither the Company nor any of its Directors or Promoters are a wilful defaulter or fraudulent borrower as defined under the SEBI ICDR Regulations.
3. The Company is in compliance with the conditions for continuous listing and is eligible to make the preferential issue under Chapter V of the SEBI ICDR Regulations
4. Neither the Company nor any of its Directors and / or Promoters is a fugitive economic offender as defined under the SEBI ICDR Regulations.
5. The Proposed Allottee have confirmed that they have not sold any Equity Shares of the Company during the 90 (Ninety) trading days preceding the Relevant Date.
6. The Company does not have any outstanding dues to the SEBI, the Stock Exchanges or the Depositories.
7. The Company shall re-compute the price of the relevant securities to be allotted under the preferential allotment in terms of the provisions of SEBI ICDR Regulations pursuant to Regulation 166 of the SEBI ICDR Regulations, if required. If the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the relevant securities to be allotted under the preferential issue shall continue to be locked-in till the time such amount is paid.*

   *Since the Company's Equity Shares are listed on recognized Stock Exchanges for a period of more than 90 Trading days prior to the Relevant Date, the Company is neither required to re-compute the price nor is required to submit an undertaking as specified under applicable provisions of SEBI ICDR Regulations.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the proposed resolution.

The Board, accordingly, recommends passing the Special Resolution as set out in Item No. 3 of this Notice, for the approval of the Members.

Item No. 4 - Appointment of Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed Company is required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary (PCS), to its Board Report.

The Board of Directors of the Company at its meeting held on May 28, 2025, considering the experience and expertise and based on the recommendation of the Audit Committee, has proposed to the members of the Company, appointment of Mr. Jitendra Leeya, Practicing Company Secretary (Peer reviewed certificate number: 2089/2022) as Secretarial Auditor of the Company for a term of 5 (five) consecutive years, from the conclusion of the 13th Annual General Meeting (AGM) until the conclusion of the 18th AGM of the Company to be held in the Financial Year 2029-30.

Mr. Jitendra Leeya is an Associate Member of The Institute of Company Secretaries of India (peer reviewed), with over a decade of professional experience having specialization in corporate, secretarial & compliance advisory services for large and medium sized corporates. He is also involved into regulatory compliance management of various listed and closely held Companies.

Mr. Jitendra Leeya has given his consent to act as secretarial auditor of the company and confirmed that the aforesaid appointment (if approved) would be within the limits specified by Institute of Company Secretaries of India. Furthermore, in terms of the amended regulations, he has provided a confirmation that he is subject to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.

The proposed remuneration to be paid to the Secretarial Auditor for FY 2025-26 is Rs. 1,80,000/- excludes applicable taxes and out-of-pocket expenses. In addition to the Secretarial Audit, the Company may also obtain certifications from Mr. Jitendra Leeya, Practicing Company Secretary under various statutory provisions and other permissible non-audit services as required from time to time. The Board of Directors may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditor.

The above disclosures are incompliance of the provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution

The Board of Directors of the Company recommends the resolution set out at Item No. 4 for approval of the Members as an Ordinary Resolution.

Item No. 5 - Re-appointment of Mr. Keyur Jagdishchandra Shah (DIN: 03111182) as Independent Director of the Company

Mr. Keyur Jagdishchandra Shah (DIN: 03111182) was appointed as an Independent Director of the Company with the approval of Shareholders at the 9th Annual General Meeting ('AGM') of the Company held on September 28, 2021, for a tenure of 5 consecutive years w.e.f. December 05, 2020 till December 04, 2025 in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In accordance with Section 149 of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014, an Independent Director shall hold office for a term up to 5 (five) years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors.

The Board at its meeting held on August 26,2025 based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Keyur Jagdishchandra Shah as a Member of the Board and considering that the continued association of Mr. Keyur Jagdishchandra Shah (DIN: 03111182) would be beneficial to the Company, proposed to re-appoint him as an Independent Director of the Company, for the second term effective from December 05, 2025 up to December 04, 2030 (both days inclusive). Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Mr. Keyur Jagdishchandra Shah (DIN:03111182) for the office of Director.

The Company has received a 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 Regulation16(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. Mr. Keyur Jagdishchandra Shah is not disqualified from being re-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 determination by retirement of Directors by rotation at the AGM.

In the opinion of the Board, Mr. Keyur Jagdishchandra Shah fulfill the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

Mr. Keyur Jagdishchandra Shah possesses appropriate skills, experience and knowledge, thus in the opinion of the Directors of the Company, his presence and participation in the deliberations of the Board would be beneficial for the Company.

Details of Mr. Keyur Jagdishchandra Shah is provided in the Annexure to this Notice, pursuant to the provisions of the Act, Listing Regulations and Secretarial Standard on General Meetings (''SS-2''), issued by the Institute of Company Secretaries of India.

Copy of draft letter of re-appointment of Mr. Keyur Jagdishchandra Shah setting out the terms and conditions of appointment is available electronically for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays and Sundays up to the date of ensuing AGM.

Except Mr. Keyur Jagdishchandra Shah and his relatives 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.

This Explanatory Statement may also be regarded as a disclosure under applicable provisions of the Listing Regulations.

The Board recommends passing the Special Resolution as set out in Item no. 5 of this Notice, for approval by the Members of the Company.

Item No. 6 - Re-appointment of Mr. Jigar Pradipchandra Shah (DIN: 08174430) as an Independent Director of the Company

Mr. Jigar Pradipchandra Shah (DIN: 08174430)was appointed as an Independent Director of the Company with the approval of Shareholders at the 9th Annual General Meeting ('AGM') of the Company held on September 28, 2021, for a tenure of 5 consecutive years w.e.f. December 05, 2020 till December 04, 2025 in accordance with the provisions of Section 149 of the Companies Act, 2013 (''the Act'') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (''SEBI Listing Regulations'').

In accordance with Section 149 of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014, an Independent Director shall hold office for a term up to 5 (five) years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors.

The Board at its meeting held on August 26,2025 based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Jigar Pradipchandra Shah as a Member of the Board and considering that the continued association of Mr. Jigar Pradipchandra Shah (DIN: 08174430) would be beneficial to the Company, proposed to re-appoint him as an Independent Director of the Company, for the second term effective from December 05, 2025 up to December 04, 2030 (both days inclusive). Further, the Company has, in terms of Section 160(1) of the Act, received notice in writing from a Member proposing the candidature of Mr. Jigar Pradipchandra Shah (DIN: 08174430) for the office of Director.

The Company has received a 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 Regulation16(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. Mr. Jigar Pradipchandra Shah is not disqualified from being re-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 determination by retirement of Directors by rotation at the AGM.

In the opinion of the Board, Mr. Jigar Pradipchandra Shah fulfill the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

Mr. Jigar Pradipchandra Shah possesses appropriate skills, experience and knowledge, thus in the opinion of the Directors of the Company, his presence and participation in the deliberations of the Board would be beneficial for the Company.

Details of Mr. Jigar Pradipchandra Shah is provided in the Annexure to this Notice, pursuant to the provisions of the Act, Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of re-appointment of Mr. Jigar Pradipchandra Shah setting out the terms and conditions of appointment is available electronically for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays and Sundays up to the date of ensuing AGM.

Except Mr. Jigar Pradipchandra Shah and his relativesnone 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.

This Explanatory Statement may also be regarded as a disclosure under applicable provisions of the Listing Regulations.

The Board recommends passing the Special Resolution as set out in Item no. 6 of this Notice, for approval by the Members of the Company.

Item No. 7 - Re-appointment of Ms. Dipti Abhijeet Chitale (DIN: 08991506) as an Independent Director of the Company

Ms. Dipti Abhijeet Chitale (DIN: 08991506) was appointed as an Independent Director of the Company with the approval of Shareholders at the 9th Annual General Meeting ('AGM') of the Company held on September 28, 2021, for a tenure of 5 consecutive years w.e.f. December 10, 2020 till December 09, 2025 in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In accordance with Section 149 of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014, an Independent Director shall hold office for a term up to 5 (five) years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors.

The Board at its meeting held on August 26, 2025 based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Ms. Dipti Abhijeet Chitale as a Member of the Board and considering that the continued association of Ms. Dipti Abhijeet Chitale would be beneficial to the Company, proposed to re-appoint her as an Independent Director of the Company, for the second term effective from December 10, 2025 up to December 09, 2030 (both days inclusive). Further, the Company has, in terms of Section 160(1) of the Act, received notice in writing from a Member proposing the candidature of Ms. Dipti Abhijeet Chitale (DIN:08991506) 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 Regulation16(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. Ms. Dipti Abhijeet Chitale is not disqualified from being re-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 determination by retirement of Directors by rotation at the AGM.

In the opinion of the Board, Ms. Dipti Abhijeet Chitale fulfill the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

Ms. Dipti Abhijeet Chitale possesses appropriate skills, experience and knowledge, thus in the opinion of the Directors of the Company, her presence and participation in the deliberations of the Board would be beneficial for the Company.

Details of Ms. Dipti Abhijeet Chitale is provided in the Annexure to this Notice, pursuant to the provisions of the Act, Listing Regulations and Secretarial Standard on General Meetings (''SS-2''), issued by the Institute of Company Secretaries of India.

Copy of draft letter of re-appointment of Ms. Dipti Abhijeet Chitale setting out the terms and conditions of appointment is available electronically for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays and Sundays up to the date of ensuing AGM.

Except Ms. Dipti Abhijeet Chitale and her relatives, 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.

This Explanatory Statement may also be regarded as a disclosure under applicable provisions of the Listing Regulations.

The Board recommends passing the Special Resolution as set out in Item no. 7 of this Notice, for approval by the Members of the Company.

Item No. 8 - Approval of Material Related Party Transactions with AppiZap LLC FZ

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

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

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

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

The relevant information pertaining to transactions with the Related Parties as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, is given as follows:

Sr. No.	Description	Details
1.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	**AppiZap LLC FZ ("AppiZap")** AppiZap is an Associate of Wholly Owned Subsidiary of the Company.
2.	Type, material terms, tenure, monetary value and particulars of the proposed RPTs	**Service given** Material terms and conditions are based on the contracts which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s). Approval of the shareholders is being sought for transaction(s) of service given / to be given from this 13th Annual General Meeting upto the date of 14th Annual General Meeting to be held in the year 2026.
3.	Value of the transaction	Up to Rs. 2,000 Lakhs plus applicable taxes
4.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	Approximately 30.60% of annual consolidated turnover of the Company for FY 2024-25.
5.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:	
a.	Details of the source of funds in connection with the proposed transaction	Not Applicable
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: • Nature of indebtedness • Cost of funds and • Tenure	Not applicable
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not applicable

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

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

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

None of the Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise,except to the extent of their shareholding in the Company, if any, in the Resolution mentioned at Item No. 8 of the Notice.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth in Item No. 8 of the Notice convening this AGM, for approval by the Members.

Item No. 9 - Increase in the Authorized Share Capital and Consequent Alteration of Memorandum of Association

Presently, the Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Face Value of Re. 1/- (Rupee One Only) each.

In order to facilitate the future requirements, if any, of the Company, it is proposed to increase the Authorized Share Capital to Rs. 17,50,00,000 (Rupees Seventeen Crores Fifty Lakhs Only) divided into 17,50,00,000 (Seventeen Crores Fifty Lakhs) Equity Shares of Face Value of Re. 1/- (Rupee One Only) each by addition of 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Face Value of Re. 1/- (Rupee One Only) each.

The increase in the Authorized Share Capital as aforesaid would entail consequential alteration of the existing Clause V of the Memorandum of Association of the Company. The increase in the Authorized Share Capital and consequential alteration to Clause V of the Memorandum of Association of the Company require Members' approvals in terms of Sections 13, 61 and 64 of the Companies Act, 2013 and any other applicable statutory and regulatory requirements.

The set of Memorandum of Association is available for inspection 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, Sundays and Public holidays).

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of this Notice except to the extent of their shareholding in the Company.

Accordingly, approval of the Members of the Company is hereby sought by way of ordinary resolution as set out in Item No. 9 of this Notice.

Registered Office:
24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5,
GIFT CITY, Gandhinagar – 382 050,
Gujarat, India

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

Jainam Shah
Company Secretary

Date: August 26, 2025

Details of Directors Sekking Appointment/Re-appointment

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

Particulars	Profile of the Director			
Name of the Director(s)	**Mr. Janmaya Preyas Pandya**	**Mr. Keyur Jagdishchandra Shah**	**Mr. Jigar Pradipchandra Shah**	**Ms. Dipti Abhijeet Chitale**
DIN	09019756	03111182	08174430	08991506
Date of Birth	February 22, 1990	March 07, 1979	September 13, 1978	June 08, 1986
Age	35 years	46 years	46 years	39 years
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	January 06, 2021	December 05, 2020	December 05, 2020	December 10, 2020
Qualifications	Bachelor's Degree in Commerce, PGDM – Finance and passed CFA exam Level II	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.	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's Degree in Commerce, Certified Japanese language proficiency test LEVEL – 2.

Experience & Expertise in specific functional areas	Mr. Janmaya Pandya is bringing over a decade of extensive experience in finance, accounting, auditing, and business operations. He possesses deep expertise in financial planning and analysis, budgeting, internal financial controls, MIS reporting, and advanced financial modelling. At DRC Systems, he has been instrumental in aligning financial operations with the company's strategic objectives in the IT services and digital transformation space. His financial leadership has significantly contributed to optimizing performance, enhancing operational efficiency, and enabling sustainable business growth. He has played a pivotal role in aligning financial operations with the company's digital transformation strategy, while ensuring adherence to regulatory requirements and global best practices. Known for his analytical approach and ability to drive process improvements, Mr. Janmaya Pandya continues to add value by ensuring sound financial stewardship and contributing to the company's long-term vision.	Mr. Keyur Shah has more than 22 years of experience in corporate finance, merchant banking, and corporate laws. He is an Insolvency Professional and a Registered Valuer with a specialization in Business Valuation. Mr. Shah has acquired vast experience in the corporate world during his employment with merchant banking entity, Religare Capital Markets Ltd and some textile houses in Ahmedabad. He has also been instrumental in debt syndication for entities across financial hubs like Dubai, Hong Kong, Singapore, South Africa, and London. He frequently appears before regulators like the NCLT, ROC, RD offices, and Trademark Authorities. In 2009, Keyur Shah Chaired the Ahmedabad Chapter of the Institute of Company Secretaries. He also addresses the students and members of the ICSI in various seminars and training programs on the topics of Corporate Laws, Valuation and IPOs.	Mr. Jigar Shah is a Fellow member of the ICAI, SEBI Registered Investment Advisor, Insolvency Professional and Registered Valuer under the IBBI in the asset class of securities and financial assets. Mr. Jigar Shah carries a vast experience of more than 22 years and has been in independent practice since 2012 in the areas of debt syndication, private equity, Insolvency Professional, Registered Valuer, Investment Advisors.	Ms. Dipti Chitale is Japanese Language Professional with over a decade of experience in the localization industry, currently working as a Localization Project Manager with Italian Company. Proven expertise in managing multilingual localization projects, cross-cultural communication, and delivering high-quality language solutions in f ast-paced, global environments.
Terms and conditions of Appointment/reappointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Re-appointment as an Independent Director for the second term of 5 (Five) years commencing from December 05, 2025	Re-appointment as an Independent Director for the second term of 5 (Five) years commencing from December 05, 2025	Re-appointment as an Independent Director for the second term of 5 (Five) years commencing from December 10, 2025
Remuneration proposed to be paid	As per existing terms and conditions	Not applicable, he will be paid sitting fees in accordance with applicable provisions of law.	Not applicable, he will be paid sitting fees in accordance with applicable provisions of law.	Not applicable, she will be paid sitting fees in accordance with applicable provisions of law.
Remuneration last drawn (including sitting fees,if any)	Please refer to the Corporate Governance Report (Annexure - C) as part of Board's Report			

Number of Meeting of the Board attended during the Financial Year 2024-25	6 (Six)	6 (Six)	6 (Six)	6 (Six)
Names of other Companies in which the Director holds Director-ship as on as on 31.03.2025	Nil	1.Infinium Pharmachem Limited 2.Pirimid Technologies Limited 3.Atharva Valuation (OPC) Private Limited 4.Keyur J Shah Advisors Private Limited	1. Odigma Consultancy Solutions Limited 2. Den Valuation (OPC) Private Limited	Nil
Names of other listed Compa-nies from which the Director has resigned in past three years.	Nil	Nil	Nil	Nil
Names of Com-mittees of other listed Companies in which the Director holds Chairmanship/ Membership as on 31.03.2025	Nil	Infinium Pharmachem Limited 1. Chairman of Audit Committee 2. Chairman of Stakeholder Relationship Committee	Odigma Consultancy Solutions Limited 1. Chairman of Audit Committee 2. Member of Stakeholder Relationship Committee	Nil
Shareholding in the Company as on 31.03.2025	1,14,710 Equity Shares	Nil	Nil	Nil
In case of Inde-pendent Direc-tors, the skills and capabilities required for the role and the man-ner in which the proposed person meets such require-ments	N.A.	Mr. Keyur Shah possesses appropriate skills, experi-ence and knowledge, thus in the opinion of the Direc-tors of the Company, his presence and participation in the deliberations of the Board would be beneficial for the Company.	Mr. Jigar Shah possesses appropriate skills, experi-ence and knowledge, thus in the opinion of the Direc-tors of the Company, his presence and participation in the deliberations of the Board would be beneficial for the Company.	Ms. Dipti Chitale possesses appropriate skills, experience and knowledge, thus in the opinion of the Directors of the Company, her presence and participa-tion in the deliberations of the Board would be benefi-cial for the Company.
Relationships be-tween Directors, Key Managerial Personnel and Managers of the Company	N.A.	N.A.	N.A.	N.A.

Information as required pursuant to BSE circular ref no. LIST/ COMP/ 14/ 2018- 19 and the National Stock Exchange of India Limited with ref no. NSE/ CML/2018/24, dated June 20, 2018	Mr. Janmaya Pandya is not debarred from holding the office of director pursuant to any SEBI order or any other authority.	Mr. Keyur Shah is not debarred from holding the office of director pursuant to any SEBI order or any other authority	Mr. Jigar Shah is not debarred from holding the office of director pursuant to any SEBI order or any other authority	Ms. Dipti Chitale is not debarred from holding the office of director pursuant to any SEBI order or any other authority

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 13th Annual Report of DRC Systems India Limited ("the Company" or "DRC"), along with the Audited Financial Statements for the Financial Year ended March 31, 2025.

1. FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2025 is summarized in the table below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year 2024-25	Financial Year 2023-24	Financial Year 2024-25	Financial Year 2023-24
Revenue from Operations	4,238.99	3,587.96	6,537.71	4,768.30
Other Income	24.02	10.03	34.39	10.97
Total Income	**4,263.01**	**3,597.99**	**6,572.10**	**4,779.27**
Total Expenditure other than Finance Cost, Depreciation and Tax	3,529.49	3,043.29	4,464.00	3,286.73
Operating Profit / (Loss) before Finance Cost, Depreciation and Tax	733.52	554.70	2,108.10	1,492.54
Less: Finance Cost	4.78	6.00	4.78	6.00
Less: Depreciation and amortization expenses	222.51	243.36	429.56	254.76
Profit / (Loss) before Tax and Exceptional item	**506.23**	**305.34**	**1,673.77**	**1,231.78**
Add: Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	**506.23**	**305.34**	**1,673.77**	**1,231.78**
Less: Tax	80.41	71.09	179.06	71.09
Profit before share in profit/(Loss) in Associate	425.82	234.25	1,494.71	1,160.69
Share of profit / (Loss) of Associate	-	-	12.78	4.71
Profit / (Loss) for the year	**425.82**	**234.25**	**1,507.49**	**1,165.40**
Other comprehensive income/(Expenses) [net of tax]	-	-	-	-
Items that will not be reclassified to Profit or (Loss), net of tax	(12.28)	(1.24)	(12.28)	(1.24)
Total comprehensive income/(Expenses) for the year	**413.54**	**233.01**	**1,495.21**	**1,164.17**
Add: Balance brought forward from previous year	689.89	456.88	1,870.44	706.27
Profit available for appropriation	1,103.42	689.89	3,365.65	1,870.44
Transfer to General Reserve	-	-	-	-
Excess Losses pertaining to minority	-	-	-	-
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-	-	-
Balance carried over to Balance Sheet	**1,103.42**	**689.89**	**3,365.65**	**1,870.44**

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE AS ON MARCH 31, 2025

Your company is an IT services, consulting and business solutions organisation that has been partnering with many of the world's largest businesses in their transformation journeys for over 13 years. Our consulting-led, cognitive powered, portfolio of business, technology and engineering services and solutions is delivered through our delivery model, recognized as a benchmark of excellence in software development. Your company operates across three countries, serving clients globally majorly across with a team of 216 employees as on March 31, 2025. Your Company is CMMI Level-3 accredited Company, listed on the BSE (BSE: 543268) and the NSE (NSE: DRCSYSTEMS) in India. With competent teams of developers, project managers, and strategists, we help our customers overcome their business challenges with customized software development. Our services and solutions help businesses scale the market. Our customer base is spread across geographies and majorly to Europe, USA, Middle East and Asia.

On a standalone basis, gross revenues increased to Rs. 4,238.99 Lakhs, against Rs. 3,587.96 Lakhs in the previous year, an increase of 18.1%. The Company has achieved Profit for the year at Rs. 425.82 Lakhs against Rs. 234.25 Lakhs in the previous year , marking an increase of 81.8%. On a consolidated basis, the revenue from operations stood at Rs. 6,537.7 Lakhs, reflecting a 37% year-on-year growth. The annual growth was driven by the successful acquisition of new projects across domestic and international markets, along with higher revenue contributions from existing clients through expanded service engagements. The Company reported a Profit Before Tax (PBT) of Rs. 1,686.5 Lakhs, registering a robust year-on-year growth of 36%. EBITDA for the year rose to Rs. 2,120.9 Lakhs, up from Rs. 1,492.5 Lakhs in the previous year — a 42% increase. Net profit for FY 2024–25 grew from Rs. 1,165.4 Lakhs to Rs. 1,507.5 Lakhs, reflecting a strong 29 % year-on-year growth.

3. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year 2024-25 are prepared in compliance with applicable provisions of the Companies Act, 2013 (''Act'') read with the Rules made thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the ''Listing Regulations''). The Consolidated Financial Statements have been prepared on the basis of audited financial statements of your Company, its subsidiary and Associate company, as approved by their respective Board of Directors.

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

4. TRANSFER TO RESERVES

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

5. DIVIDEND

In order to conserve resources for business expansion, your Directors do not recommend any dividend for the Financial Year 2024-25.

6. CHANGE IN THE NATURE OF BUSINESS

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

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

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

8. SUBSIDIARIES & ASSOCIATE COMPANIES

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

A separate statement containing the salient features of the financial performance of the subsidiaries and associates for the Financial Year 2024-25 in the prescribed form AOC – 1 is annexed to the Board's Report as Annexure - A and forms a part of this report. The Audited Consolidated financial statements together with Auditors' Report, forms an integral part of the Annual Report.

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

After the closure of Financial Year 2024-25, the following changes have taken place in subsidiary:

Your Company has acquired 50.02% stake in Inexture Solutions Limited, a Company formed and registered in India, accordingly it became a Subsidiary Company w.e.f. August 12, 2025.

9. CHANGE IN SHARE CAPITAL

During the Financial Year under review, the total Issued and Paid-Up Equity Share Capital of the Company has been increased from Rs. 1,324.65 Lakhs to Rs.1,336.94 Lakhs pursuant to the allotment of 12,28,400 Equity Shares.

During the Financial Year 2024-25, after obtaining necessary approvals, the Company has issued and allotted,

i. 2,27,900 Equity Shares of Re. 1/- each on October 01, 2024, to the eligible employees of the Company under DRC Employee Stock Option Plan 2021-22. After the issue, the Equity Share Capital of the Company stood at Rs. 1,326.93 Lakhs.

ii. 10,00,500 Equity Shares of Re. 1/- each on March 20, 2025, to the eligible employees of the Company under DRC Employee Stock Option Plan 2021-22. After the issue, the Equity Share Capital of the Company stood at Rs. 1,336.94 Lakhs.

Consequently, the issued, subscribed and paid up Equity Share Capital as on March 31, 2025 was Rs. 13,36,94,330 divided into 13,36,94,330 Equity Shares of Re. 1/- each.

10. DEPOSITS

During the year, the Company has not accepted Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ("Act") read with Companies (Acceptance of Deposits) Rules, 2014 made under Chapter V of the Act and any other provision of the Act, read with rules made there under. As on March 31, 2025, there were no deposits lying unpaid or unclaimed.

11. ANNUAL RETURN

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

12. DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to Section 149, 152 and other applicable provisions of the Act and the Articles of Association of the Company, Mr. Janmaya Preyas Pandya (DIN: 09019756), is liable to retire by rotation and being eligible offers himself for re-appointment. As the re-appointment of Director is appropriate and in the best interest of the Company, the Board recommends the re-appointment of the director for your approval.

Mr. Keyur Jagdishchandra Shah (DIN: 03111182), the Independent Director of the Company was appointed for a period of five years on December 05, 2020. His first term of five years as an Independent Director of the Company is due to expire on December 04, 2025. The Board, on the recommendation of Nomination and Remuneration Committee at its meeting held on August 26, 2025, after taking into account the performance evaluation of his first term and considering the business acumen, knowledge, experience, skills and contribution, have re-appointed him as Independent Director for a second term of five (5) years upto December 04, 2030, subject to the approval of Members at the ensuing AGM. In the opinion of the Board, he possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company.

Mr. Jigar Pradipchandra Shah (DIN: 08174430), the Independent Director of the Company was appointed for a period of five years on December 05, 2020. His first term of five years as an Independent Director of the Company is due to expire on December 04, 2025. The Board, on the recommendation of Nomination and Remuneration Committee at its meeting held on August 26, 2025, after taking into account the performance evaluation of his first term and considering the business acumen, knowledge, experience, skills and contribution, have re-appointed him as Independent Director for a second term of five (5) years upto December 04, 2030, subject to the approval of Members at the ensuing AGM. In the opinion of the Board, he possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company.

Ms. Dipti Abhijeet Chitale (DIN: 08991506), the Independent Director of the Company was appointed for a period of five years on December 10, 2020. Her first term of five years as an Independent Director of the Company is due to expire on December 09, 2025. The Board, on the recommendation of Nomination and Remuneration Committee at its meeting held on August 26, 2025, after taking into account the performance evaluation of her first term and considering the business acumen, knowledge, experience, skills and contribution, have re-appointed her as Independent Director for a second term of five (5) years upto December 09, 2030, subject to the approval of Members at the ensuing AGM. In the opinion of the Board, she possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company.

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act and Listing Regulations, and available on Company's website www.drcsystems.com.

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

Mr. Roopkishan Sohanlal Dave (DIN: 02800417) has resigned as an Independent Director of the Company with effect from November 29, 2024 due to his personal reasons. The Board places on record its deep appreciation for his valuable contribution and guidance provided during his tenure on the Board.

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

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

13. DECLARATION BY INDEPENDENT DIRECTORS

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

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

15. FAMILIARIZATION PROGRAMME

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

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

16. BOARD MEETINGS HELD DURING THE YEAR

The Board met 6 (Six) times during the Financial Year 2024-25. The meeting details are provided in the Corporate governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Listing Regulations.

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

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as on March 31, 2025, are given in the Notes to the Financial Statements, which forms a part of this Annual Report.

18. PARTICULARS OF RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

i. Conservation of Energy

Steps taken or Impact on Conservation of Energy:

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

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

ii. Technology Absorption

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

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

iii. Foreign Exchange earnings and outgo

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

(₹ in Lakhs)

Particulars	Financial Year 2024-25	Financial Year 2023-24
Earning in Foreign Currencies	3,118.06	2,261.79
Expenditure in Foreign Currencies	26.11	26.51

20. NOMINATION & REMUNERATION POLICY OF THE COMPANY

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

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

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

21. BOARD EVALUATION

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The annual performance evaluation of the Board, its Committees and each Director has been carried out for the Financial Year 2024-25 in accordance with the framework.

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

22. MANAGEMENT DISCUSSION AND ANALYSIS

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

23. CORPORATE GOVERNANCE REPORT

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

24. COMMITTEES OF THE BOARD

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

25. PARTICULARS OF EMPLOYEES

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

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

26. DETAILS OF EMPLOYEE STOCK OPTION PLAN (ESOP)

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

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

During the year ended March 31, 2025, there has been no material change in the Company's existing plan and the plan is in compliance with SEBI SBEBSE Regulations.

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

27. HUMAN RESOURCE

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

Keeping employees informed, connected and engaged has always been crucial to our people strategy. We remain focused on building trust through a culture of openness, conversations and opportunities to speak up. We grew stronger as a team by supporting each other wholeheartedly throughout the F.Y. 2024-25. Employees, their talent and capabilities are our greatest asset, our competitive advantage. In a highly competitive environment, our formidable talent pool becomes our key differentiator.

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

28. ENHANCING SHAREHOLDERS VALUE

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

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

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

29. AUDITORS AND AUDITORS' REPORT

i. STATUTORY AUDITORS:

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

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

Statutory Auditors' Report

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

ii. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act, read with the rules made thereunder, the Board had appointed Mr. Jitendra Leeya, Practicing Company Secretary, (Peer reviewed certificate number: 2089/2022) to undertake the Secretarial Audit of the Company for FY 2024-25.

Further, pursuant to amended Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Audit Committee, the Board of Directors has appointed Mr. Jitendra Leeya, Practicing Company Secretary, (peer reviewed certificate number: 2089/2022) as the Secretarial Auditor of the Company for a period of 5 (five) consecutive years from the conclusion of the 13th Annual General Meeting (AGM) until the conclusion of the 18th AGM of the Company, subject to the approval of Members. The Secretarial Auditor shall conduct the Secretarial Audit for the financial years ending March 31, 2026 to March 31, 2030.

Mr. Jitendra Leeya, Practicing Company Secretary, has confirmed that he is not disqualified to be appointed as a Secretarial Auditor and is eligible to hold office as Secretarial Auditor of the Company.

Secretarial Audit Report

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

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

30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

31. VIGIL MECHANISM

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

32. INTERNAL FINANCIAL CONTROLS

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

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

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

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 2024-25 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 Policy for prevention of Sexual Harassment is available on the Company's website at https://www.drcsystems.com/policies .

34. CODE OF CONDUCT

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

35. LISTING

The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") having nation-wide trading terminals. Annual Listing Fee for the Financial Year 2025-26 has been paid to NSE and BSE.

36. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

37. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

38. OTHER DISCLOSURES

- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2);
- The Managing Director of the Company has not received any remuneration or commission from any of Company's subsidiary.
- The Audit Committee comprises namely of Mr. Jigar Pradipchandra Shah (Chairman), Mr. Keyur Jagdishchandra Shah, and Mr. Hiten Ashwin Barchha (Members). During the year under review, all the recommendations made by the Audit Committee were accepted by the Board;
- Interested Directors were recused from the discussion of the agenda items, in which they were interested, of the Board or Committee meetings held during the year.
- The Company has not issued Equity Shares with differential rights as to dividend voting or otherwise;
- The Company has not issued any Sweat Equity Shares to its Directors or Employees.
- No application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, hence, the requirement to disclose the details is not applicable.
- There was no instance where your Company required the Valuation for one-time settlement or while taking the loan from the Bank or Financial institutions.
- The company has complied the provisions pertaining to Maternity Benefits Act, 1961 during the FY 2024-25.
- The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the business activities carried out by the Company.

39. ACKNOWLEDGEMENTS

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

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

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

For and on behalf of Board of Directors

Place: Gandhinagar
Date: August 26, 2025

Keyur Shah
Chairman
DIN: 03111182

ANNEXURE - A

FORM AOC-1

Part – A: Subsidiary Companies

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

(₹ in Lakhs)

Sr. No.	Particulars	1	2
1	Name of Subsidiaries	**DRC Systems EMEA LLC-FZ**	**DRC Systems USA LLC**
2	The date since when subsidiary was acquired	July 06, 2022	July 17, 2023
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	UAE Dirham Exchange rate as on March 31, 2025, 1 AED = 23.27 - INR	USD Exchange rate as on March 31, 2025, 1 USD = 85.475 INR
5	Paid up share capital	36.97	0.08
6	Reserves & surplus	3,096.84	(1.95)
7	Total assets	5,504.65	45.98
8	Total liabilities	2,370.84	47.85
9	Investment	11.36	-
10	Turnover	2,838.09	382.23
11	Profit / (Loss) before taxation	1,182.37	(14.83)
12	Provision for taxation	98.65	-
13	Profit (Loss) after Tax	1,083.72	(14.83)
14	Proposed Dividend	-	-
15	% of Shareholding	100.00%	100.00%

Notes:

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

Part- B: Associate & Joint Venture

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

(₹ in Lakhs)

Sr. No.	Particulars	Details
	Name of Associate Company	Nighthack Technology Private Limited
1	Latest Audited Balance sheet Date	March 31, 2025
2	Shares of Associates or Joint Ventures held by the Company on the Year end	Equity Shares
	No. of Shares	820
	Amount of Investment in Associates or Joint Ventures	100.00
	Extent of Holdings (In Percentage)	45.05%
3	Description of how there is significant influence	Not Applicable
4	Reason why the associates / Joint Ventures is not Consolidated	Consolidation carried out based on equity method
5	Net worth attributable to Shareholding as per latest audited balance Sheet	82.35
6	Profit or (Loss) for the Year	
	i. Considered in Consolidation	13.05
	ii. Not Considered in Consolidation	15.92

Notes:

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

For and on behalf of the Board of Directors

Place: Gandhinagar
Date: May 28, 2025

Hiten Barchha
Managing Director
DIN: 05251837

Keyur Shah
Chairman
DIN: 03111182

Janmaya Pandya
Chief Financial Officer

Jainam Shah
Company Secretary

ANNEXURE - B

FORM AOC-2

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

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

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

   Not Applicable

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

Sr. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	AppiZap LLC FZ ("AppiZap") AppiZap is an Associate of Wholly Owned Subsidiary of the Company.
b	Nature of contracts/arrangements/transaction	Service given
c	Duration of the contracts/arrangements/ transaction	FY 2024-25
d	Salient terms of the contracts or arrangements or transaction including the value, if any	The RPTs entered during the year were in the ordinary course of business and on an arm's length basis.
e	Amount (Rs. in Lakhs)	Rs. 1,684.09 Lakhs
f	Date of approval by the Board	August 08, 2024
g	Amount paid as advances, if any	NIL

For and on behalf of Board of Directors

Place: Gandhinagar
Date: August 26, 2025

Keyur Shah
Chairman
DIN: 03111182

ANNEXURE - C

REPORT ON CORPORATE GOVERNANCE

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") and the report contains the details of Corporate Governance systems and processes at DRC Systems India Limited for the Financial Year ended March 31, 2025 is given herein below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

- Securities related filings with Stock Exchanges are circulated/ placed before the Company's Board of Directors.
- The Company has following Board Committees: Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Securities Allotment Committee.
- The Company also undergoes Secretarial Audit conducted by an Independent Practicing Company Secretary. The Secretarial Audit Report is placed before the Board and forms part of the Annual Report.
- Observance and adherence of all applicable Laws including Secretarial Standards-1 & 2 issued by the Institute of Company Secretaries of India.

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

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

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

SHAREHOLDERS

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

BOARD OF DIRECTORS

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

A. Composition of the Board:

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

As per requirement of the Listing Regulations, the Board Structure of the Company maintains an optimum combination of Executive, Non-Executive Directors with at least one Woman (Independent) Director and not less than fifty percent of the Board of Directors comprising of Non-Executive Directors. The Composition of the Board is in conformity with the Listing Regulations. As on March 31, 2025, our Board comprises of 6 (six) members, consisting of One Non-Executive and Independent Chairman, Two Executive Directors including One Managing Director, One Non-Executive Director and Two other Independent Directors including One Woman Independent Director. The Board periodically evaluates the need for change in its size and composition.

During the year under review, Mr. Roopkishan Sohanlal Dave, Independent Director of the Company, resigned from the Company effective November 29, 2024, due to his personal reasons. He also confirmed that there was no material reason for his resignation other than the above.

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 not more than 5 committees across all listed entities in which he/ she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further, all Directors have informed about their Directorships, Committee Memberships/Chairmanships, including any changes in their positions. The Executive Director & Managing Director do not serve as Independent Directors in any listed company. Relevant details of the Board of Directors as on March 31, 2025 are given below:

Name of Directors*	Category	Board Meeting(s) Details		No. of Directorship in other Public Company**	No. of Committee positions held in other Companies		Attendance at the last AGM Yes / No	Directorship in other listed entity (Category of Directorship)
		Entitled to Attend	Attended @		Chairman	Member#		
Mr. Keyur Jagdishchandra Shah DIN: 03111182	Non-Executive Independent Director & Chairman	6	6	2	2	2	Yes	Infinium Pharmachem Limited (Non-Executive, Independent Director)
Mr. Hiten Ashwin Barchha DIN: 05251837	Promoter/ Managing Director	6	6	0	0	0	Yes	-
Mr. Janmaya Preyas Pandya DIN: 09019756	Executive Director & Chief Financial Officer	6	6	0	0	0	Yes	-
Mr. Sanket Khemuka DIN: 06910440	Non - Executive Director	6	5	0	0	0	No	-
Mr. Jigar Pradipchandra Shah DIN: 08174430	Non-Executive Independent Director	6	6	1	1	2	Yes	Odigma Consultancy Solutions Limited (Non-Executive, Independent Director)
Ms. Dipti Abhijeet Chitale DIN: 08991506	Non-Executive Woman Indepen-dent Director	6	6	0	0	0	Yes	-
Mr. Roopkishan Sohanlal Dave*** DIN: 02800417	Non-Executive Independent Director	4	0	N.A.	N.A.	N.A.	No	-

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

** Profile of all the Directors is available on the website of the Company at https://www.drcsystems.com/leadership/.*

***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.*

****Mr. Roopkishan Sohanlal Dave ceased to be Non-Executive Independent Director of the company w.e.f. November 29, 2024.*

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

#Membership includes Chairmanship position.

Director's Inter-se Relationship:

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

C. Number of Board Meetings:

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

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

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

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

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

During the Financial Year 2024-25, 6 (Six) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. The Board periodically reviews the compliance reports of all laws applicable to the Company.

The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held		
May 21, 2024	July 11, 2024	August 08, 2024
November 14, 2024	February 07, 2025	March 28, 2025

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

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

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

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

Mr. Janmaya Preyas Pandya, Executive Director, is retiring at the ensuing Annual General Meeting, and being eligible, has offered himself for re-appointment.

The Nomination and Remuneration Committee has recommended and Board has re-appointed:

I. Mr. Keyur Jagdishchandra Shah (DIN: 03111182) as an Independent Director of the Company for a second term of five years w.e.f. December 05, 2025.

II. Mr. Jigar Pradipchandra Shah (DIN: 08174430) as an Independent Director of the Company for a second term of five years w.e.f. December 05, 2025.

III. Ms. Dipti Abhijeet Chitale (DIN: 08991506) as an Independent Director of the Company for a second term of five years w.e.f. December 10, 2025.

The said re-appointments are subject to the approval of the Shareholders in this AGM.

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

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

E. The shareholding of the Directors as on March 31, 2025

Sr. No.	Name of Directors	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
1.	Mr. Keyur Jagdishchandra Shah	Non-Executive Independent Director & Chairman	NIL	0.00
2.	Mr. Hiten Ashwin Barchha	Managing Director / Promoter	26,96,730	2.02
3.	Mr. Janmaya Preyas Pandya	Executive Director & CFO	1,14,710	0.09
4.	Mr. Sanket Khemuka	Non-Executive Director	NIL	0.00
5.	Mr. Jigar Pradipchandra Shah	Non-Executive Independent Director	NIL	0.00
6.	Ms. Dipti Abhijeet Chitale	Non-Executive Independent Director	NIL	0.00

The Company has not issued any convertible instruments to any Directors of the Company during the Financial Year 2024-25.

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 2024-25.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. The parameters of the performance evaluation process for Directors, inter alia, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging fiduciary and governance duties and performance of specific duties. The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, independence of the Committee from the Board, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, and quality of relationship of the Committee with the Board and the Management etc.

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

The Board of Directors at its meeting held on March 28, 2025, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

G. Independent Directors:

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

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

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

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

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

H. Independent Directors' Meeting:

To comply with the provisions of Schedule IV of the Act read with Regulation 25 of SEBI (LODR) Regulations, the Independent Directors met once during the Financial Year 2024-25 on February 07, 2025, without the presence of Non-Independent Directors and members of the management team and inter-alia reviewed:

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

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

I. Familiarisation Programme:

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

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

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

J. Key Board qualifications, expertise and attributes:

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

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Leadership	Extended leadership experience for establishing a clear vision, providing guidance, knowledge and methods to realize that vision, involving setting & achieving organizational goals and taking actions for achievement of such goals.
Financial skills	Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Business Development	Experience in developing strategies to increase business and market share, build brand awareness and enhance corporate reputation by creating long-term value for borrowers/ investors, markets and all other stakeholders.
Technology and Innovation	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data security etc.

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

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

Notes:

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

COMMITTEES OF THE BOARD

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

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

As on March 31, 2025, the Board had the following mandatory and non-mandatory Committees:

A. Mandatory Committees:

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

B. Non- Mandatory Committee:

Securities Allotment Committee

1. AUDIT COMMITTEE:

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

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

The Audit Committee of the Company comprises of 3 members out of which 2 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 2024-25 is detailed below:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended*
1.	Mr. Jigar Pradipchandra Shah	Non –Executive Independent Director	Chairman	6	6
2.	Mr. Keyur Jagdishchandra Shah	Non –Executive Independent Director	Member	6	6
3.	Mr. Roopkishan Sohanlal Dave**	Non –Executive Independent Director	Member	4	0
4.	Mr. Hiten Ashwin Barchha	Managing Director	Member	6	6

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

***Mr. Roopkishan Sohanlal Dave ceased to be the member of the committee w.e.f. November 29, 2024, pursuant to his resignation as Independent Director of the Company.*

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

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

During the Financial Year 2024-25, 6 (Six) meetings of the Audit Committee were held and the maximum time gap between two meetings did not exceed one hundred and twenty days.

The dates of the Audit Committee meetings are as under:

Date(s) on which meeting(s) were held		
May 21, 2024	July 11, 2024	August 08, 2024
November 14, 2024	February 07, 2025	March 28, 2025

The Chairman of the Audit Committee was present at the AGM held on September 17, 2024. The Chairman of the Audit Committee briefs the Board members about the significant discussions held at the Audit Committee meetings.

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

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

A) Scope and functions:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions; and
   g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing with the Management, the financial statements of subsidiaries and in particular the investments made by each of them;
8. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;

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

B) Power of Audit Committee:

The powers of the Audit Committee shall include the following:

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

C) Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

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

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2024-25 is detailed below:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended*
1.	Mr. Keyur Jagdishchandra Shah	Non-Executive Independent Director & Chairman	Chairman	1	1
2.	Mr. Roopkishan Sohanlal Dave**	Non-Executive Independent Director	Member	1	0
3.	Mr. Jigar Pradipchandra Shah	Non-Executive Independent Director	Member	1	1
4.	Ms. Dipti Abhijeet Chitale***	Non-Executive Independent Director	Member	1	1

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

***Mr. Roopkishan Sohanlal Dave ceased to be the member of the committee w.e.f. November 29, 2024, pursuant to his resignation as Independent Director of the Company.*

****Ms. Dipti Abhijeet Chitale was appointed as a member of the committee w.e.f. February 07, 2025.*

During the Financial Year 2024-25, 1 (One) meeting of the Stakeholder Relationship Committee were held on following dates:

Date(s) on which meeting(s) were held
May 21, 2024

The Chairman of the Stakeholders' Relationship Committee was present at the AGM held on September 17, 2024.

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

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

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

Investor Grievance Redressal:
Details pertaining to the number of complaints received and responded and the status thereof during the Financial Year 2024-25 are given below:

Opening as on April 01, 2024	Received during the year	Resolved during the year	Closing as on March 31, 2025
0	1	1	0

All complaints have been resolved to the satisfaction of shareholders

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

3. **NOMINATION AND REMUNERATION COMMITTEE:**

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

The Nomination and Remuneration Committee of the Company comprises of 3 Directors comprising of 2 Non-Executive Independent Directors and 1 Non-Executive Non-Independent Director.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2024-25 is detailed below:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended*
1.	Mr. Roopkishan Sohanlal Dave**	Non-Executive Independent Director	Chairman	1	0
2.	Mr. Jigar Pradipchandra Shah***	Non-Executive Independent Director	Chairman	2	2
3.	Mr. Keyur Jagdishchandra Shah	Non-Executive Independent Director	Member	2	2
4.	Mr. Sanket Khemuka	Non-Executive Director	Member	2	2

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

***Mr. Roopkishan Sohanlal Dave ceased to be the member of the committee w.e.f. November 29, 2024, pursuant to his resignation as Independent Director of the Company.*

****Mr. Jigar Pradipchandra Shah has been inducted as the Chairman of the committee w.e.f. February 07, 2025.*

During the Financial Year 2024-25, 2 (Two) meetings of the Nomination and Remuneration Committee were held on following dates:

Date(s) on which meeting(s) were held	
October 01, 2024	March 20, 2025

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

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

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

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required, for every appointment of an independent director;
3. Formulating of criteria for evaluation of the performance of the Independent Directors and the Board;
4. Recommend to the Board the appointment or re-appointment of Director;
5. Recommend to the Board the appointment of Key Managerial Personnel;
6. Devising a policy on Board diversity;
7. Specify methodology for effective evaluation of performance of Board/ Committees/Directors either by Board, Nomination and Remuneration Committee or an Independent external agency and to review implementation of evaluation system;

8. Carry out the evaluation of every Director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
9. Identifying persons who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every Director's performance;
10. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
11. Analysing, monitoring and reviewing various human resource and compensation matters;
12. Determining the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
13. Recommending to the Board all remuneration, in whatever form, payable to Senior Management;
14. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
15. Performing such functions as are required to be performed by the compensation committee under the ESOP and other Regulations;
16. Suggesting to Board/ shareholder's changes in the Employee Stock Option Plan (ESOP);
17. Deciding the terms and conditions of ESOP;
18. Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities;
19. Performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Act or Listing Regulations or by any other regulatory authority; and
20. Any other terms of reference as per the provisions of the act and listing regulations (including any other amendments thereto).

Nomination and Remuneration Policy:

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

The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at https://www.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 2024-25 has been completed.

Details of Remuneration:

(i) Remuneration to Executive Directors:

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

The details of remuneration including commission to all Executive Directors for the Financial Year 2024-25 are as follows and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013.

(₹ in Lakhs)

Name and designation	Service Contracts	Notice Period	Salary	Commission	Pension	Perquisites and other allowances	Severance Fee	Performance linked incentives	Performance criteria	Stock options (No. of Options)
Mr. Hiten Ashwin Barchha (Managing Director)	Re-appointed w.e.f. November 09, 2023 till November 08, 2026	As per the rules of the Company	81.24	0	0	0	Nil	Nil	Nil	0
Mr. Janmaya Preyas Pandya (Executive Director and Chief Financial Officer)	Re-appointed w.e.f January 06, 2024 till January 05, 2027		19.40	0	0	9.87*	Nil	Nil	Nil	10,000**

** ESOP exercised during the year*

*** During the Financial Year 2024-25 Stock Options were granted in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and DRC Employee Stock Option Plan 2021-22.*

(ii) Remuneration to Non-Executive Directors:

Sitting fees has been paid to Non-Executive Directors for the Financial Year 2024-25 and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013.

There are no pecuniary relationship or transaction between the Non-Executive Independent Directors and the Company. The Company has not granted any stock option to its Non-Executive Directors during the Financial Year 2024-25.

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

Details of remuneration paid to Directors for the Financial Year 2024-25 is as under:

(₹ in Lakhs)

Name and designation	Designation	Sitting Fees	Salary & Perquisites	Commission	Total
Mr. Hiten Ashwin Barchha	Managing Director	0	81.24	0	**81.24**
Mr. Janmaya Preyas Pandya	Executive Director & Chief Financial Officer	0	29.27	0	**29.27**
Mr. Keyur Jagdishchandra Shah	Non-Executive Independent Director and Chairman	1.80	0	0	**1.80**
Mr. Sanket Khemuka	Non-Executive Director	0.95	0	0	**0.95**
Mr. Jigar Pradipchandra Shah	Non-Executive Independent Director	1.80	0	0	**1.80**
Mr. Roopkishan Sohanlal Dave*	Non-Executive Independent Director	0	0	0	**0**
Ms. Dipti Abhijeet Chitale	Non-Executive Independent Director	0.90	0	0	**0.90**

** Mr. Roopkishan Sohanlal Dave ceased to be Non-Executive Independent Director of the company w.e.f. November 29, 2024.*
The Executive Directors are not being paid sitting fees for attending meetings of the Board of Directors and its committees.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee ("CSR") is governed by its Policy and its composition is in compliance with the provisions of Section 135 of the Act and rules made thereunder.

As on March 31, 2025, Mr. Janmaya Preyas Pandya is the CSR Officer of the Committee.

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

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended*
1.	Mr. Jigar Pradipchandra Shah	Independent Director	Chairman	1	1
2.	Mr. Hiten Ashwin Barchha	Managing Director	Member	1	1
3.	Mr. Janmaya Preyas Pandya	Executive Director & Chief Financial Officer	Member	1	1

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

During the Financial Year 2024-25, 1 (One) meeting of the Corporate Social Responsibility Committee were held on following dates:

Date(s) on which meeting(s) were held
May 21, 2024

The role of CSR Committee is as under:

a. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII in compliance with the Act and rules thereunder and review thereof;

b. Formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.

c. Recommend the amount of expenditure to be incurred on the activities;

d. Monitor the implementation of framework of CSR Policy of the Company from time to time;

e. Submit annual report of CSR activities to the Board;

f. Review and monitor all CSR projects; and

e. Such other activities as the Board of Directors may determine from time to time.

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

5. SECURITIES ALLOTMENT COMMITTEE:

The Company has constituted a Securities Allotment Committee to issue and allot Equity Shares and/or any Convertible securities of the Company to the shareholders.

The Composition of the Securities Allotment Committee as at March 31, 2025 is as under:

Sr. No.	Name of Members	Category	Nature of Membership	Meeting Details	
				Held	Attended
1.	Mr. Keyur Jagdishchandra Shah	Independent Director	Chairman	-	-
2.	Mr. Hiten Ashwin Barchha	Managing Director	Member	-	-
3.	Mr. Jigar Pradipchandra Shah	Independent Director	Member	-	-

During the Financial Year 2024-25, no meeting of the Securities Allotment Committee was held.

SENIOR MANAGEMENT

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

SUBSIDIARY COMPANIES

As on March 31, 2025, Your Company have one material subsidiary Company i.e. DRC Systems EMEA LLC-FZ in terms of Regulation 16 of the Listing Regulations. The Audit Committee reviews the Financial Statements including investments by the unlisted subsidiary Companies.

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

GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	Whether any Special Resolution Passed
2021-22	June 29, 2022	11:00 a.m.	Meeting conducted through VC / OAVM pursuant to the MCA and SEBI Circular(s)	No
2022-23	September 14, 2023	11:00 a.m.	Meeting conducted through VC / OAVM pursuant to the MCA and SEBI Circular(s)	Yes **Special Resolutions:** 1. Approval for Re-appointment of Mr. Hiten Barchha (DIN: 05251837) as the Managing Director of the Company. 2. Approval for Re-appointment of Mr. Janmaya Pandya (DIN: 09019756) as the Executive Director of the Company.
2023-24	September 17, 2024	11:00 a.m.	Meeting conducted through VC / OAVM pursuant to the MCA and SEBI Circular(s)	No

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 conducted through Postal Ballot as on the date of this Report.

MEANS OF COMMUNICATION

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

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

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

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

4. **Annual Report:**

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

5. **Stock Exchange(s):**

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

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

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

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

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

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

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

GENERAL SHAREHOLDER INFORMATION

(i). **Company Registration Details:**

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

(ii). **Annual General Meeting:**

Date	September 25, 2025
Day	Thursday
Time	11.00 a.m.
Place	Meeting is being conducted through VC/OAVM pursuant to the relevant MCA Circular(s) and SEBI Circular(s) and hence there is no requirement to have a venue for the AGM. For more details, please refer to the Notice of this AGM.

(iii). **Financial Calendar:**

Financial Year	April 01, 2024 to March 31, 2025
Tentative Schedule for declaration of results during the Financial Year 2025-26:	
First Quarter	On or before August 14, 2025
Second Quarter and Half yearly	On or before November 14, 2025
Third Quarter and Nine Months	On or before February 14, 2026
Fourth Quarter and Annual	On or before May 30, 2026

(iv). Dividend Payment Date

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

(v). Listing on Stock Exchanges:

Sr. No.	Name of Stock Exchange(s)	Stock Code (s)	ISIN for Depositories
1.	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	543268	INE03RS01027
2.	**National Stock Exchange of India Limited (NSE)** Excange 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 2025-26.

(vi). 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.

(vii). Registrars & Transfer Agent

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

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

(viii). Share Transfer System:

As per the SEBI Listing Regulations, shares cannot be transferred unless they are held in dematerialized mode. Shareholders who hold shares in physical form are advised to convert them into dematerialized mode to avoid the risk of losing shares, fraudulent transactions and to receive better investor servicing. Only valid transmission or transposition cases that comply with the SEBI guidelines will be processed by the RTA of the Company. To transfer, transmit or transpose shares in physical form, shareholders should submit them to the office of the Company's Registrar & Transfer Agent - MUFG Intime India Private Limited (RTA). The RTA will process these cases only if they are technically found to be complete and in order. To expedite the transfer / transmission of shares held in physical mode the powers to authorise transfers have been delegated to specified officials of the RTA and Company. The details of transfers / transmission approved by the delegates, if any are noted by the Stakeholders Relationship Committee at its next meeting. During the year under review, Mitsubishi UFJ Trust & Banking Corporation, a member of MUFG, a global financial group, has acquired Link Group, parent company of Link Intime India Pvt Ltd. Accordingly, the name of RTA of the Company is changed from Link Intime India Private Limited to MUFG Intime India Private Limited.

Shareholders are advice to refer the latest SEBI guidelines/circular issued for all the holder holding securities in listed companies in physical form from time to time and keep their KYC detail updated at all times to avoid freezing of their folios as prescribed by SEBI.

(ix). Distribution of Shareholding as on March 31, 2025:

Shareholding (No. of Shares)	No. of Share Holders		No. of Shares	
	Number	% of Total	Shares	% of Total
Upto 500	24,688	83.21	25,06,472	1.87
501 – 1000	2,337	7.88	18,47,113	1.38
1001 - 2000	1,188	4.01	17,84,200	1.33
2001 – 3000	463	1.56	12,07,857	0.90
3001 - 4000	209	0.70	7,43,152	0.56
4001 - 5000	178	0.60	8,37,335	0.63
5001 - 10000	276	0.93	20,01,419	1.50
10001 and above	330	1.11	12,27,66,782	91.83
Total	**29,669**	**100.00**	**13,36,94,330**	**100.00**

(x). Categories of Shareholders as on March 31, 2025:

Category	No. of Shares held	% of Shareholding
Promoters & Promoter's group	2,97,23,280	22.23
Alternate Investment Funds	5,00,000	0.38
Foreign Institutional Investors	2,806	0.00
Bodies Corporate	4,57,80,470	34.24
Directors and their relatives (excluding independent Directors and nominee Directors)	1,14,710	0.09
Key Managerial Personnel	21,770	0.02
Body Corporate - Limited Liability Partnership	20,91,366	1.56
NRI	21,71,221	1.62
Individual	5,23,12,929	39.13
HUF	9,32,845	0.70
Clearing Member	93	0.00
Unclaimed or Suspense or Escrow Account	42,000	0.03
Trust	840	0.00
Total	**13,36,94,330**	**100.00**

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

Your Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2025.

(xii). **Employee Stock Options:**

During the year under review, your Company has allotted 12,28,400 Equity Shares pursuant to exercise of stock options under Employee Stock Options Scheme. Particulars with regard to Employees' Stock Options are put up on the Company's website i.e. www.drcsystems.com.

(xiii). **Dematerialisation of Shares and Liquidity:**

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

Except 100 Equity Shares, all the Equity Shares have been dematerialised as on March 31, 2025. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE03RS01027.

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

As per the SEBI Master circular no. SEBI/HO/ MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, read with circular no. SEBI/HO/MIRSD/ POD-1/P/CIR/2024/81 dated June 10, 2024 ('SEBI Circular'), whereby SEBI has mandated furnishing the following information by holders of securities in physical form:

a. PAN linked with Adhaar

b. Choice of nomination

c. KYC details that includes i. contact details ii. bank account details iii. specimen signature.

The SEBI Circular further mandates that any service request or grievance shall be entertained or any payment, including payment of dividends, shall be made electronically to the security holders holding securities in physical form, only upon furnishing of the Valid PAN and the KYC Details, as mentioned above, against their respective folios. You are requested to forward the duly filled in Form ISR-1, Form ISR-2 and Form SH-13/Form ISR-3 along with the related proofs mentioned in the respective forms to the RTA of the Company at the earliest.

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

Transactions involving issue of share certificates including issuance of duplicate share certificates, Split, re-materialisation, consolidation and renewal of share certificates etc. should be addressed to RTA of the Company at the address given above.

As per the SEBI Master circular no. SEBI/HO/MIRSD/ POD-1 /P/CIR/2024/37 dated May 07, 2024, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

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

The prescribed process for dealing with the above requests has been advised to the shareholders holding shares in physical form vide our separate communication on this. The shareholders holding shares in physical form are requested to refer to the same. In terms of the circular, the Registrar and Share Transfer Agents are required to issue a letter of confirmation upon processing of investor requests in lieu of physical share certificates and the same is required to be dematerialized by the shareholder or claimant within 120 days of the issue of letter of confirmation.

In case the shareholders or claimant fails to submit a demat request within the aforesaid 120 days, the shares would be credited to a Suspense Escrow Demat Account opened by the Company. The Company shall issue shares from Suspense Escrow Demat Account as and when the shareholder or claimant approaches the Company.

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

(xiv). **Commodity price risk or foreign exchange risk and hedging activities:**

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

(xv). **Plant Locations:** Not Applicable

(xvi). **Address for Correspondence:**

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

5th Floor, 506-508,
Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C G Road, Ellisbridge, Ahmedabad – 380 006
Tel No.: +91 79 2646 5179/86/87
Email: ahmedabad@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

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

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building,
Block No. 56, Road – 5C, Zone - 5,
GIFT CITY, Gandhinagar – 382 050
Gujarat, India
Tel: +91 79 6777 2222
E-mail: ir@drcsystems.com
Website: www.drcsystems.com

Compliance Officer: Mr. Jainam Shah, Company Secretary

(xvii). **Credit Ratings:**

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

OTHER DISCLOSURES

(i). Related Party Transactions:

Transactions entered into with related parties during F.Y. 2024-25 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

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

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

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

(iii). Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years: **NIL.**

(iv). Whistle Blower Policy:

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

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

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

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

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

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

During the year under review, no funds were raised either through preferential allotment or qualified institutions placement.

(vii). Certificate from Practicing Company Secretary:

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

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

Not Applicable

(ix). **Remuneration to Statutory Auditors:**

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

Type of Services	Amount (Rs. In Lakhs)
Statutory Audit Fee	1.50
Limited Review Fee	1.50
Certification and other Consultancy Charges	1.19
Total	**4.19**

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

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2024-25 are as under:

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

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

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

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

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

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

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

(xiv). **Code of Conduct:**

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

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

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

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

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the Financial Year 2024-25 signed by Mr. Hiten Barchha, Managing Director and Mr. Janmaya Pandya, Executive Director and Chief Financial Officer was placed before the Board of Directors of the Company at its meeting held on May 28, 2025.

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

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

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

(xviii). **Unclaimed Sale proceed of Fractional Shares:**

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

As on the date of this report, the net sales proceeds amounting to Rs. 77,054.36 were unclaimed and the same shall be eligible to be transferred to the Investor Education and Protection fund (IEPF) on January 19, 2029.

Members, who have not yet claimed their amount, are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, i.e. MUFG Intime India Private Limited. Pursuant to the provisions of IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2025 on the website of the Company www.drcsystems.com, as also on the website of the Ministry of Corporate Affairs.

(xix). **Equity Shares in the Suspense Account:**

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

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April, 2024	16	42,200
Shareholders who approached the Company for transfer of shares from suspense account during the year	1	200
Shareholders to whom shares were transferred from the suspense account during the year	1	200

Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Number of Shares Transferred to Suspense Account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	15	42,000

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

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

During the F.Y 2024-25, the Company and its subsidiaries had not provided loan or / and advances in nature of loan to any of the Company(ies) in which the Directors are interested.

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

Name of Company	Date and Place of incorporation	Name of Statutory Auditors	Date of Appointment
DRC Systems EMEA LLC-FZ	September 28, 2021, Dubai	Himani Shah & Associates, Chartered Accountants	July 01, 2024

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

During the F.Y 2024-25, there was no binding agreement entered into.

(xxiii). Others:

A. Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

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

B. Updation of shareholders details:

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

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

D. Nomination of Shares:

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

E. **Email Id registration:**

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

DECLARATION

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other provision, all Board Members and Senior Management Personnel have affirmed the compliance with the provisions of the code of conduct for the year ended on March 31, 2025.

Place: Gandhinagar
Date: August 26, 2025

Hiten Barchha
Managing Director
DIN : 05251837

COMPLIANCE CERTIFICATE

To,
The Board of Directors
DRC Systems India Limited
Gandhinagar

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

A. We have reviewed financial statements and the cash flow statement for the Financial Year ended on March 31, 2025 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 2024-25, 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 28, 2025

Hiten Barchha
Managing Director

Janmaya Pandya
Executive Director & Chief Financial Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
DRC SYSTEMS INDIA LIMITED
CIN: L72900GJ2012PLC070106
Gandhinagar

We have examined the compliance of conditions of Corporate Governance by DRC SYSTEMS INDIA LIMITED, for the year ended 31st March, 2025, as stipulated in Regulations 17-27, clauses (b) to (i) and (t) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

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

Date: 26th August, 2025
Place: Ahmedabad

Sign: ______________________
ASHISH C DOSHI, PARTNER
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No.: F3544
COP No.: 2356
PR Certi No.: 6467/2025
UDIN: F003544G001081247

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
DRC SYSTEMS INDIA LIMITED
CIN: L72900GJ2012PLC070106
Regd. Off: 24th Floor, GIFT Two Building,
Block No. 56, Road-5C, Zone-5,
Gift City, Gandhinagar – 382 355

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DRC SYSTEMS INDIA LIMITED** having CIN: L72900GJ2012PLC070106 and having registered office at 24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, Gift City, Gandhinagar – 382 355 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

Date: 26th August, 2025
Place: Ahmedabad

Sign: ________________________
ASHISH C DOSHI, PARTNER
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No.: F3544
COP No.: 2356
PR Certi No.: 6467/2025
UDIN: F003544G001081225

ANNEXURE - D

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 2024-25 is as follows:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Status</th></tr>
<tr><td>I</td><td>Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year</td><td>
<table>
<tr><th colspan="3">Number of times</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>Ratio of the remuneration to the median remuneration</th></tr>
<tr><td>Mr. Hiten Ashwin Barchha</td><td>Managing Director</td><td>17.68</td></tr>
<tr><td>Mr. Janmaya Preyas Pandya</td><td>Executive Director & Chief Financial Officer</td><td>4.23</td></tr>
</table>
</td></tr>
<tr><td>II</td><td>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</td><td>
<table>
<tr><th>Name of Director & KMP</th><th>Designation</th><th>% increase in remuneration in the Financial Year</th></tr>
<tr><td>Mr. Hiten Ashwin Barchha</td><td>Managing Director</td><td>25.07%</td></tr>
<tr><td>Mr. Janmaya Preyas Pandya</td><td>Executive Director & Chief Financial Officer</td><td>25.00%</td></tr>
<tr><td>Mr. Jainam Ashvinkumar Shah</td><td>Company Secretary</td><td>24.10%</td></tr>
</table>
</td></tr>
<tr><td>III</td><td>Percentage increase in the median remuneration of employees in the financial year</td><td>19.02%</td></tr>
<tr><td>IV</td><td>Number of permanent employees on the rolls of Company</td><td>216</td></tr>
<tr><td>V</td><td>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</td><td>The average increase in salaries of employees other than the managerial personnel in the last Financial Year was 12.59% and an average increase of 24.97% for managerial personnel.</td></tr>
<tr><td>VI</td><td>Affirmation that the remuneration is as per the Remuneration Policy of the Company</td><td>It is affirmed that the remuneration is as per the Remuneration Policy of the Company.</td></tr>
</table>

Notes:

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

ANNEXURE - E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2025 has complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year under review, Mr. Roopkishan Sohanlal Dave (DIN: 02800417) had resigned from the post of Independent Director of the Company, with effect from the close of business hours on November 29, 2024, due to his personal reasons.

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

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

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

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

- During the year under review, Nomination and Remuneration Committee ("NRC") in its meeting held on October 01, 2024, had allotted 2,27,900 Equity Shares to the Employees under ESOP Scheme;
- During the year under review, Nomination and Remuneration Committee ("NRC") in its meeting held on March 20, 2025, had allotted 10,00,500 Equity Shares to the Employees under ESOP Scheme.;

Place: Ahmedabad
Date: 26th August, 2025

Jitendra Pravinbhai Leeya
Practicing Company Secretary
ACS/FCS No.: A31232
C P No.: 14503
P R No.: 2089/2022
UDIN: A031232G001081292

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

Annexure - A

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

Sir/Ma'am,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2025

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

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

Place: Ahmedabad
Date: 26th August, 2025

Jitendra Pravinbhai Leeya
Practicing Company Secretary
ACS/FCS No.: A31232
C P No.: 14503
P R No.: 2089/2022
UDIN: A031232G001081292

ANNEXURE – F

CORPORATE SOCIAL RESPONSIBILTY

1. **Brief outline on CSR Policy of the Company:**

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

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

2. **Composition of CSR Committee:**

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

   Mr. Janmaya Preyas Pandya is the CSR Officer of the CSR Committee.

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

   The composition of the CSR committee is available on our website, at https://www.drcsystems.com/wp-content/uploads/2025/02/DRC-COMMITTEES-COMPOSITION.pdf

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

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

   Not Applicable

5. a. Average net profit of the company as per sub-section (5) of section 135. Rs. 197.02 Lakhs
   b. Two percent of average net profit of the company as per sub-section (5) of section 135. Rs. 3.94 Lakhs
   c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. NIL
   d. Amount required to be set-off for the financial year, if any. NIL
   e. Total CSR obligation for the financial year [(b)+(c)-(d)]. Rs. 3.94 Lakhs

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

   a. Amount spent against other than ongoing project for the financial year Rs. 4.00 Lakhs
   b. Amount spent in Administrative Overheads. NIL
   c. Amount spent on Impact Assessment, if applicable. NIL
   d. Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. 4.00 Lakhs
   e. CSR amount spent or unspent for the Financial Year:

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

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

Sr. No.	Particular	Amount (₹ in Lakhs)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	3.94
(ii)	Total amount spent for the Financial Year	4.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.06
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.01
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.07

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** NA
8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No
9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.** NA

Hiten Barchha	**Jigar Shah**
Managing Director	Chairman, CSR Committee
DIN : 05251837	**DIN :** 08174430

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
DRC SYSTEMS INDIA LIMITED

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of **DRC Systems India Limited ("the Company")**, which comprise the standalone Balance Sheet as at March 31, 2025, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of Cash Flow, the standalone statement of changes in equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

INDEPENDENT AUDITORS' REPORT (continued)

Key Audit Matters

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

Valuation of Employee Stock Option Plan ('ESOP')

Key Audit Matter	How the matter addressed in our audit
The Company has ESOP scheme for its employees under which the Company grants stock options to eligible employees. In accordance with the principles of Ind AS 102 'Share Based Payments' ('Ind AS 102'), the fair value of aforesaid employee stock options determined as at the date of their grant is recognized as employee compensation cost by the Company over the vesting period of such options. The fair valuation of options granted to employees is derived as per Black Scholes model based on Independent Registered Valuer's report. Considering significant management judgment and materiality of amounts involved, fair valuation of ESOP grant is considered as a key audit matter for the current year audit. Kindly refer Note No. 26 to the standalone IND AS financial statements.	Our audit procedures relating to valuation of ESOP included but were not limited to the following: • Obtained an understanding of the terms and arrangements of Employee Stock Option Plans; • Evaluated the design and tested operating effectiveness of internal financial controls over the methodology, variables used for calculating the fair value and their rationales to determine the fair value of options granted during the year; • Verified the Independent Registered Valuer's report for fair value of Employee stock options as per Black Scholes model. • Ascertained arithmetical accuracy of computation of share-based payment expense; and • Evaluated the appropriateness of disclosures made in the Standalone financial statements with respect to share-based payments as required by applicable Indian Accounting Standards.

Other Information

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

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

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

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

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income/expense, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.

INDEPENDENT AUDITORS' REPORT (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of Cash Flow dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rule issued thereunder;
   e. On the basis of written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone Ind AS financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company does not have any pending litigations which would impact its financial position.

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (C) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

   (v) The Company has neither declared nor paid any dividend during the year.

3. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

   The audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Place: Ahmedabad
Date: 28th May 2025
UDIN: 25046922BMHVHP4839

Chandramaulin J. Rajpara
Partner
M. No. 046922

INDEPENDENT AUDITORS' REPORT (continued)

Annexure - A to the Independent Auditors' Report

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment's;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment's by which all property, plant and equipment are verified in phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, clause 3 (i) (c) of the Order is not applicable to the Company.

(d) According to information and explanations given to us and on the basis of our examination of records of the company, the Company has not revalued its property, plant and equipment's (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The company is Service Company, primarily rendering information technology solution services. Accordingly, it does not hold any physical inventories. Accordingly, clauses 3 (ii) (a) of the order is not applicable to the Company.

(b) According to information and explanations given to us and on the basis of our examination of records of the company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, clauses 3 (ii) (b) of the order is not applicable to the Company.

(iii) According to information and explanations given to us and on the basis of our examination of records of the company, the company has made investments during the year under audit. The Company has not provided security, guarantee or granted loan or granted advances in nature of loan, secured or unsecured to Companies, partnerships or any other parties during the year.

(a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted any loans or advances and guarantees or securities to subsidiaries, joint ventures and associates.

(B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted any loans or advances and guarantees or securities to parties other than subsidiaries, joint ventures and associates.

(b) According to information and explanations given to us and on the basis of our examination of records of the company, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the company.

(c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans or advances in nature of loans. Accordingly, Clause 3 (iii) (c) of the Order is not applicable.

(d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans or advances in nature of loans. Accordingly, Clause 3 (iii) (d) of the Order is not applicable.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in nature of loans granted falling due during the year, which has been renewed or extended or fresh loans grated to settle the over dues of existing loans or advances in the nature of loans given to same parties.

INDEPENDENT AUDITORS' REPORT (continued)

(f) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security as applicable.

(iv) The Company has not accepted any deposits or amounts which are deemed to be deposits from public. Accordingly, clause 3 (v) of the Order is not applicable.

(vi) In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, clause 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Goods and Services tax, provident fund, income tax, duty of customs, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a delay in respect of remittance of Professional Tax dues.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident fund, Income Tax, Duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed statutory dues for Goods and Services Tax, provident fund, employee's state insurance, income tax, duty of customs, Duty of excise, cess and other statutory dues applicable to it.

(viii) According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in books of account, in the assessment under the Income Tax Act, 1961 (43 of 1961) as income during the year.

(ix) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.

(c) According to information and explanations given to us and on the basis of our examination of the records of the Company, there were no term loans raised during the year.

(d) According to information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds have been raised on short term basis by the Company. Accordingly, clause 3 (ix) (d) of the Order is not applicable to the Company.

(e) On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and Associate.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and Associate.

(x) (a) The Company has not raised moneys by way of public offer or further public offer (including debt instruments). Accordingly, Clause 3 (x) (a) of the Order is not applicable to the Company.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (x) (b) of the Order is not applicable to the Company.

(xi) (a) According to information and explanations given to us and on the basis of our examination of records of the Company, we report that no fraud by the Company or on the company has been noticed or reported during the course of Audit.

(b) According to information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

INDEPENDENT AUDITORS' REPORT (continued)

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, clause 3 (xii) of the order is not applicable to the Company.

(xiii) In our opinion and according to information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) (a) Based on information and examination provided to us and our audit procedures, in our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under Audit.

(xv) In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (a) of the Order is not applicable to the Company.

(b) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in regulations made by Reserve Bank of India. Accordingly, clause 3 (xvi) (c) of the Order is not applicable to the Company.

(d) According to information and explanations given to us, the Group does not have any CIC. Accordingly, clause 3 (xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, clause 3 (xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone IND AS financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Place: Ahmedabad
Date: 28th May 2025
UDIN: 25046922BMHVHP4839

Chandramaulin J. Rajpara
Partner
M. No. 046922

INDEPENDENT AUDITORS' REPORT (continued)

Annexure - B to the Independent Auditors' Report on the standalone Ind AS financial statements of DRC Systems India Limited for the year ended on March 31, 2025

Report on the Internal Financial Controls with reference to the standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of DRC Systems India Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that.

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

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

Auditors' Responsibility

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (continued)

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone Ind AS financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Place: Ahmedabad
Date: 28th May 2025
UDIN: 25046922BMHVHP4839

Chandramaulin J. Rajpara
Partner
M. No. 046922

Balance Sheet

as at March 31, 2025

Particulars	Notes	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	31.28	35.09
Right of use assets	3	45.97	70.07
Other intangible assets	4	524.28	711.62
Financial assets	5		
(i) Investments		2,865.51	2,101.36
(ii) Other financial assets		25.17	12.28
Non-current tax assets (net)	7	-	13.84
Total non-current assets		**3,492.21**	**2,944.25**
II. Current assets			
Financial assets	5		
(i) Trade receivables		948.57	849.26
(ii) Cash and cash equivalents		110.56	144.59
(iii) Others financial assets		467.39	217.72
Other current assets	6	236.29	101.85
Total current assets		1,762.81	1,313.42
Total Assets		**5,255.01**	**4,257.68**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,336.94	1,324.66
Other equity	9	2,776.87	2,248.90
Total equity		**4,113.82**	**3,573.56**
LIABILITIES			
I. Non-current liabilities			
Financial liabilities	10		
(i) Lease liabilities		37.70	60.59
Provisions	11	91.88	64.13
Deferred tax liabilities (net)	22	17.69	62.55
Total non-current liabilities		**147.27**	**187.26**

Balance Sheet

as at March 31, 2025

Particulars	Notes	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
II. Current liabilities			
Financial liabilities	10		
(i) Lease liabilities		13.27	14.48
(ii) Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises		25.94	3.24
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		156.01	7.12
(iii) Other financial liabilities		134.71	135.91
Provisions	11	26.82	24.35
Other current liabilities	12	570.21	311.74
Current tax liabilities (net)	7	66.97	-
Total current liabilities		**993.93**	**496.85**
Total equity and liabilities		**5,255.01**	**4,257.68**
Summary of significant accounting policies	1-2		

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

As per our report of even date
For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Statement of Profit And Loss

for the year ended March 31, 2025

Particulars	Notes	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
Income			
Revenue from operations	13	4,238.99	3,587.96
Other income	14	24.02	10.03
Total income (I)		**4,263.01**	**3,597.99**
Expenses			
Contracting Expenses		1,588.73	1,126.53
Employee benefits expenses	15	1,732.44	1,671.59
Finance costs	16	4.78	6.00
Depreciation and amortisation expenses	17	222.51	243.37
Other expenses	18	208.31	245.16
Total expenses (II)		**3,756.78**	**3,292.65**
Profit before exceptional item and tax (III) = (I - II)		**506.23**	**305.34**
Exceptional items (IV)		-	-
Profit before tax (V) = (III-IV)		**506.23**	**305.34**
Tax expenses	22		
Current tax		128.80	70.64
(Excess) / short provision related to earlier years		(3.54)	(3.64)
Deferred tax		(44.85)	4.09
Total tax expense (VI)		**80.41**	**71.09**
Profit for the year (VII) = (V- VI)		**425.82**	**234.25**

Statement of Profit And Loss

for the year ended March 31, 2025

Particulars	Notes	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(12.28)	(1.24)
Total other comprehensive income for the year (VIII)		(12.28)	(1.24)
Total Comprehensive Income for the year comprising Profit and Other comprehensive Income for the year (IX) = (VII+VIII)		**413.54**	**233.01**
Earning per share [nominal value per share Re.1/- (March 31, 2024: Re.1/-)]			
Basic	25	0.32	0.18
Diluted	25	0.32	0.17
Summary of significant accounting policies	1-2		

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

As per our report of even date

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

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

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Statement of Changes in Equity

for the year ended March 31, 2025

A. Equity share capital

(₹ in Lakhs)

As at March 31, 2024	Changes in Equity Share capital due to prior period errors	Restated balance as at March 31,2024	Changes in Equity Share capital during the year	As at March 31, 2025
1,324.66	-	1,324.66	12.28	**1336.94**

(₹ in Lakhs)

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

B. Other equity

(₹ in Lakhs)

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

Statement of Changes in Equity

for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	Reserves and Surplus					Total other equity
	Retained Earnings	Employees Stock Options Outstanding	Securities premium	Capital reserve	General reserve	
	Note 9	Note 9	Note 9	Note 9	Note 9	Note 9
Balance as at March 31, 2024	**689.89**	**148.86**	**1,197.51**	**209.61**	**3.04**	**2,248.90**
Employee compensation expense for the year (refer note 26)	-	114.43	-	-	-	**114.43**
Add/ (Less): Transfer to securities premium on exercise of options	-	(163.47)	163.47	-	-	-
Add/ (Less): Reversal due to lapse of options	-	(13.86)	-	-	13.86	-
Profit /(Loss) for the year	425.82	-	-	-	-	**425.82**
Re-measurement gains / (losses) on defined benefit plans	(12.28)	-	-	-	-	**(12.28)**
Balance as at March 31, 2025	**1,103.42**	**85.96**	**1,360.98**	**209.61**	**16.90**	**2,776.87**

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

As per our report of even date
For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Statement of Cash Flows

for the year ended March 31, 2025

Particulars	Year ended March 31, 2025 (₹ in Lakhs)		Year ended March 31, 2024 (₹ in Lakhs)	
A. Cash flows from operating activities				
Profit before tax		506.23		305.34
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortization expenses	222.51		243.37	
Employee stock option expense (net)	114.43		167.14	
Finance cost	4.78		6.00	
Bad debts written off	0.24		-	
Balances Written off	3.14		0.16	
Unrealized foreign currency exchange loss / (gain) net	(4.68)		(3.67)	
No longer payable	(1.67)		-	
Interest income on bank deposits	(0.48)		(0.26)	
Interest income - Others	(1.50)		(4.04)	
Fair value gain on investment	6.46		(1.02)	
		343.25		407.68
Operating profit before working capital changes		849.48		713.01
Adjustments for:				
Changes in trade & other payables	173.26		(87.04)	
Changes in trade receivables	(94.86)		(420.80)	
Changes in other current & non current assets	(383.96)		151.72	
Changes in other current and non current liabilities and provisions	275.19		276.81	
Net changes in working capital		(30.36)		(79.31)
Cash generated from operations		819.11		633.71
Direct taxes paid (net of income tax refund)		(44.46)		(17.77)
Net cash (used in) from operating activities (A)		774.65		615.93

Statement of Cash Flows

for the year ended March 31, 2025

Particulars	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
B. Cash flow from investing activities		
Payment for acquisition of property, plant and equipment and intangible asset (including intangible under development and capital advances)	(17.72)	(570.58)
Investment in equity instruments (net)	(770.61)	(100.08)
Fixed deposits with bank (net)	(16.17)	3.70
Interest received	1.97	4.30
Net cash (used in) from investing activities (B)	**(802.5)**	**(662.66)**
C. Cash flow from financing activities		
Repayment of Lease Liabilities	(13.66)	(12.12)
Proceeds from exercise of employee stock options (ESOP)	12.28	2.53
Finance cost	(4.78)	(6.00)
Net cash (used in) from financing activities (C)	**(6.15)**	**(15.59)**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(34.03)**	**(62.32)**
Cash & cash equivalent at the beginning of the year	144.59	206.91
Cash & cash equivalent at the end of the year	**110.56**	**144.59**

Statement of Cash Flows

for the year ended March 31, 2025

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

Particulars	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Cash and cash equivalents comprise of: (Note 5c)		
Balances with banks		
Current accounts	109.31	143.37
Cash on hand	1.26	1.22
Cash and cash equivalents	**110.56**	**144.59**

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

As per our report of even date

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

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

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Notes

to the Financial Statements for the year ended 31 March 2025

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

a. Corporate Information

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

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited in India. The registered office of the company is located at 24th Floor, GIFT Two Building, Block No. 56, Road – 5C, Zone – 5, GIFT CITY, Gandhinagar, Taluka & District – Gandhinagar – 382 050 Gujarat, India

The financial statements were authorized for issue in accordance with a resolution of the directors on May 28, 2025.

b. Statement of compliance

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

c. Basis of preparation of financial statements

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

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents.

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

2. Critical Accounting estimates and Summary of Significant Accounting Policies

a. Critical Accounting estimates

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements:

Notes

to the Financial Statements for the year ended 31 March 2025

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 country.

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

3. Share Based Payments

   The Company initially measures the cost of equity settled transactions with employees using a black schole model to determine the fair value of the liability incurred.

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

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

4. Taxes

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

5. Intangible asset including intangible asset under development

   Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use. Research and maintenance costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 2(b) 5 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 4.

6. Property, plant and equipment

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

Notes

to the Financial Statements for the year ended 31 March 2025

7. **Revenue recognition**

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

8. **Investments**

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

9. **Leases**

   The Company evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgment. Computation of the lease liabilities and right-of-use assets requires management to estimate the lease term (including anticipated renewals), and the applicable discount rate. Management estimates the lease term based on the non-cancellable lease-term, options for future renewals if the Company is reasonably certain to exercise and options to terminate the lease if the Company is reasonably certain not to exercise. In performing this assessment, the discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

b. Summary of Significant Accounting Policies

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

1. **Current versus non-current classification**

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

   An asset is treated as current when it is:

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

   All other assets are classified as non-current.

   A liability is current when:

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

   The Company classifies all other liabilities as non-current.

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

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

2. **Foreign currencies**

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

   Transactions and balances

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

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

3. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

Notes

to the Financial Statements for the year ended 31 March 2025

4. **Property, plant and equipment**

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

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

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

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

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

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

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

Amortization

Period of Amortization of Intangibles is calculated as follows:

- Computer software generated/acquired–5 years

Intangible assets under development

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

6. Leases

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

Company as a lessee

The Company's lease asset classes primarily comprise of lease for Vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right of use the underlying assets as below:

- **Right of use assets**

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

- **Lease Liabilities**

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of

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to the Financial Statements for the year ended 31 March 2025

interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in other current and non-current financial liabilities.

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

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

7. Impairment of non-financial assets

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

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

8. Borrowing cost

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

9. Revenue Recognition

Rendering of services

Revenue is 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.

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

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

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

Contract assets are recognized 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 recognized when there is billing in excess of revenues.

In accordance with Ind AS 37, the Company recognizes 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 amortized 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 amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

10. Financial instruments – initial recognition and subsequent measurement

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

a. Financial assets

i. Initial recognition and measurement.

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

ii. Subsequent measurement

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

- Debt instruments at amortized 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 amortized cost:

A debt instrument is measured at amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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.

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to the Financial Statements for the year ended 31 March 2025

The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized 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 recognized in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized 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 recognized in the Statement of profit and loss.

Equity instruments:

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

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

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

Investment in subsidiaries and associates:

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

iii. Derecognition of financial assets

A financial asset (or. where applicable. a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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 recognized is recognized as an impairment gain or loss in profit or loss.

b. Financial Liabilities

i. Initial recognition and measurement

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

All financial liabilities are recognized 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.

Notes

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Gains or losses on liabilities held for trading are recognized 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 recognized 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization 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 derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

11. Cash and cash equivalent

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

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

12. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

Current income tax relating to items recognized outside Statement of profit and loss is recognized outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognized 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 recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, 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 recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 recognized outside Statement of profit and loss is recognized outside Statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

13. Retirement and other employee benefits

a. Short Term Employee Benefits

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

b. Post-Employment Benefits

Defined benefit plan

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

Notes

to the Financial Statements for the year ended 31 March 2025

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 recognized 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 recognized in profit or loss on the earlier of:

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

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

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

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

14. **Employee stock option schemes – Share based payments**

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

15. **Earnings per share**

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

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

Notes

to the Financial Statements for the year ended 31 March 2025

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.

17. Dividend distribution

    The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

18. Provisions

    Provisions are recognized 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 recognized 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 recognized as a finance cost.

    Contingencies

    Provision in respect of contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognized 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 recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

19. Recent pronouncements

    Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, relevant to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 3 : Property, plant and equipment

(₹ in Lakhs)

Particulars	Plant & machinery	Furniture & fixture	Office equipment	Computer, server & network	Total	Right of use assets
Gross Block						
As at March 31, 2023	**78.89**	**27.57**	**2.77**	**129.60**	**238.82**	**71.99**
Additions	-	-	1.07	27.90	28.97	26.72
Deletions	-	-	-	-	-	-
As at March 31, 2024	**78.89**	**27.57**	**3.84**	**157.50**	**267.79**	**98.71**
Additions	-	1.76	0.87	15.08	17.72	-
Deletions	-	-	-	-	-	(16.55)
As at March 31, 2025	**78.89**	**29.33**	**4.71**	**172.58**	**285.51**	**82.16**
Depreciation						
As at March 31, 2023	**78.71**	**25.75**	**1.01**	**111.62**	**217.10**	**14.57**
Depreciation for the year	-	0.78	0.81	14.03	15.61	14.07
Deductions	-	-	-	-	-	-
As at March 31, 2024	**78.71**	**26.53**	**1.82**	**125.64**	**232.71**	**28.64**
Depreciation for the year	-	0.74	1.27	19.51	21.52	13.66
Deductions	-	-	-	-	-	(6.11)
As at March 31, 2025	**78.71**	**27.27**	**3.09**	**145.16**	**254.23**	**36.19**
Net Block						
As at March 31, 2025	**0.17**	**2.06**	**1.62**	**27.42**	**31.28**	**45.97**
As at March 31, 2024	**0.17**	**1.04**	**2.02**	**31.85**	**35.09**	**70.07**

Notes : Right of use assets represents vehicles taken on lease for employees, are accounted for in accordance with principal of Ind AS 116 "Leases" (refer note 28)

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 4 : Other intangible assets

(₹ in Lakhs)

Particulars	Computer Software	IT Platform	Intangible assets under development	Total
Cost				
As at March 31, 2023	**45.00**	**2,009.15**	**-**	**2,054.15**
Additions	-	541.61	541.61	1,083.22
Capitalized	-	-	(541.61)	(541.61)
As at March 31, 2024	**45.00**	**2,550.76**	**-**	**2,595.76**
Additions	-	-	-	-
Capitalized			-	-
As at March 31, 2025	**45.00**	**2,550.76**	**-**	**2,595.76**
Amortisation				
As at March 31, 2023	**45.00**	**1,625.46**	**-**	**1,670.46**
Amortisation for the Year	-	213.68	-	213.68
As at March 31, 2024	**45.00**	**1,839.14**	**-**	**1,884.14**
Amortisation for the Year	-	187.33	-	187.33
As at March 31, 2025	**45.00**	**2,026.48**	**-**	**2,071.48**
Net Block				
As at March 31, 2025	**-**	**524.28**	**-**	**524.28**
As at March 31, 2024	**-**	**711.62**	**-**	**711.62**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 5 : Financial assets

5 (a) Investments

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
NON CURRENT		
A. Investment stated at cost **In Equity Instruments**		
a. In subsidiaries (Unquoted)		
DRC SYSTEMS EMEA L.L.C-FZ 162 (March 31, 2024 : 100) equity shares of AED 1,000 each	793.32	22.71
DRC Systems USA LLC 100 (March 31, 2024 : 100) equity shares of USD 1 each	0.08	0.08
	793.40	**22.79**
b. In associates (Unquoted)		
Nighthack Technology Private Limited 820 (March 31, 2024 : 820) equity shares of Rs. 100 each	100.00	100.00
	100.00	**100.00**
B. Investment stated at Fair Value through Profit & Loss **In Equity Instruments**		
a. In others (Unquoted)		
GESIA IT Association 10 (March 31, 2024 : 10) equity shares of Rs. 10 each	0.00	0.00
	0.00	**0.00**
AutoDAP B.V. 41,400 (March 31, 2024 : 41,400) equity shares of EUR 1 each	1,439.87	1,439.87
Add / (Less): Fair value changes	149.32	-
	1,589.19	**1,439.87**
Nextenders India Pvt Ltd 1,36,270 (March 31, 2024 : 1,36,270) equity shares of Rs. 10 each	137.51	137.51
Add / (Less): Fair value changes	245.41	401.19
	382.92	**538.70**
Total Investments	**2,865.51**	**2,101.36**
Aggregate amount of unquoted investments	2,865.51	2,101.36
Aggregate amount of impairment in value of investments	-	-

Notes

to the financial statements for the year ended March 31, 2025 (continued)

5 (b) Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Unsecured, considered good	948.57	849.26
Total Trade Receivables	**948.57**	**849.26**

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) For amount dues and terms and conditions relating to related party transactions, refer note 24.

(iii) For explanation on Company's credit risk management process, refer note 29.

(iv) For trade receivables ageing schedule, refer note 35.

5 (c) Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with bank		
Current accounts	109.31	143.37
Cash on hand	1.26	1.22
Total cash and cash equivalents	**110.56**	**144.59**

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

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with bank		
Current accounts	109.31	143.37
Cash on hand	1.26	1.22
Total cash and cash equivalents	**110.56**	**144.59**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

5 (d) Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposit	7.62	10.89
Bank deposits with original maturity of more than 12 months (including accrued interest)	17.55	1.40
	25.17	**12.28**
Current		
Security deposits	27.73	-
Accrued revenue	438.97	217.09
Bank deposits maturing within 12 months from reporting date	0.46	0.44
Interest accrued but not due on bank deposits	0.00	0.05
Interest accrued but not due on other deposits	0.22	0.14
	467.39	**217.72**
Total other financial assets	**492.55**	**230.00**

Fixed deposits of Rs. 18.01 Lakhs (March 31, 2024 : Rs. 1.75 Lakhs) are under lien from banks.

Financial assets by category

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortized Cost
March 31, 2025				
Investments	893.40	-	1,972.11	-
Trade receivables	-	-	-	948.57
Cash & cash equivalents	-	-	-	110.56
Other financial assets	-	-	-	492.55
Total financial assets	**893.40**	**-**	**1,972.11**	**1,551.68**

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortized Cost
March 31, 2024				
Investments	122.79	-	1,978.57	-
Trade receivables	-	-	-	849.26
Cash & cash equivalents	-	-	-	144.59
Other financial assets	-	-	-	230.00
Total financial assets	**122.79**	**-**	**1,978.57**	**1,223.86**

For Financial instruments risk management objectives and policies, refer Note 29

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment refer note 29

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 6 : Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Balance with government authorities	220.67	88.35
Advances to suppliers	1.93	2.91
Prepaid expenses	13.57	10.59
Other current asset	0.13	-
Total Current Assets	**236.29**	**101.85**

Note 7 : Non-current tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Tax paid in advance (net of provison)	-	13.84
Total	**-**	**13.84**
Tax provision (net of advance tax and TDS)	66.97	-
Total	**66.97**	**-**

Note 8 : Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Authorised share capital				
Equity shares of Re.1 each	15,00,00,000	1,500.00	15,00,00,000	1,500.00
Issued and subscribed share capital				
Equity shares of Re.1 each	13,36,94,330	1,336.94	13,24,65,930	1,324.66
Subscribed and fully paid up				
Equity shares of Re.1 each	13,36,94,330	1,336.94	13,24,65,930	1,324.66
Total	**13,36,94,330**	**1,336.94**	**13,24,65,930**	**1,324.66**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

8.1. Terms/Rights attached to the equity shares

The Company has equity shares having a par value of Re.1 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 26 regarding employee share based payments

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	13,24,65,930	1,324.66	4,39,02,060	439.02
Addition/ redemption :		-		-
Shares allotted pursuant to exercise of Employee Stock Option Plan	12,28,400	12.28	2,53,250	2.53
Shares issued as bonus to the existing shareholders	-	-	8,83,10,620	883.11
Outstanding at the end of the year	**13,36,94,330**	**1,336.94**	**13,24,65,930**	**1,324.66**

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, 2025		As at March 31, 2024	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Shivben Popatbhai Sutariya	1,35,00,000	10.10%	1,35,00,000	10.19%
Infibeam Avenues Limited	1,23,92,460	9.27%	1,23,92,460	9.36%
Yogesh Sutariya	1,35,20,880	10.11%	1,35,20,880	10.21%
Avenues Infinite Private Limited	1,04,36,472	7.81%	1,04,36,472	7.88%
Somani Multibiz Limited	-	0.00%	1,09,00,275	8.23%
Pirimid Technologies Private Limited	1,33,70,460	10.00%	1,33,70,460	10.09%

Note: As per records of the Company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

8.4 Number of shares held by Promoters at the end of the year

Name of the promoter	As at March 31, 2025		% Change during the year
	No. of shares	% of shareholding	
Yogeshkumar Popatbhai Sutariya	1,35,20,880	10.11%	-0.09%
Shivben Popatlal Sutariya	1,35,00,000	10.10%	-0.09%
Hiten Ashwin Barchha	26,96,730	2.02%	-0.02%
Avni Hiten Barchha	5,010	0.00%	0.00%
Diyalbhai Italiya #	660	0.00%	0.00%

Name of the promoter	As at March 31, 2024		% Change during the year
	No. of sharets	% of shareholding	
Yogeshkumar Popatbhai Sutariya	1,35,20,880	10.21%	-0.06%
Shivben Popatlal Sutariya	1,35,00,000	10.19%	-0.06%
Hiten Ashwin Barchha	26,96,730	2.04%	-0.01%
Avni Hiten Barchha	5,010	0.00%	0.00%
Diyalbhai Italiya #	660	0.00%	0.00%

Promoter Group

8.5 Shares reserved for issue under options

For information relating to DRC Systems India Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period please refer to note 26

8.6 Aggregate number of equity shares issued as bonus shares during five years prior to March 31, 2025

Year	Number of shares
2023-24	8,83,10,620
2019-20	90,00,000

FY 2023-24: 88,310,620 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising securities premium.

FY 2019-20: 90,00,000 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising retained earnings.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

8.7 Aggregate number of equity shares issued for a consideration other than cash during five years prior to March 31, 2025

Year	Number of shares
2023-24 ^	8,83,10,620
2020-21 *	1,61,53,560
2019-20 #	90,00,000

FY 2023-24: ^ 88,310,620 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising securities premium.

FY 2020-21: * 16,153,560 equity shares of Re. 1 each have been alloted as fully paid up vide Scheme of Arrangement.

FY 2019-20: # 90,00,000 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising retained earnings.

Note 9 : Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
General reserve		
Opening balance	3.04	1.96
Add: Addition on account of lapse of employee stock options	13.86	1.07
Balance at the end of the year	**16.90**	**3.04**
Capital reserve		
Opening balance	209.61	209.61
Balance at the end of the year	**209.61**	**209.61**
Securities premium		
Opening balance	1,197.51	2,013.16
Add: on exercising of employee stock options	163.47	67.46
Less: on Issue of Bonus shares	-	(883.11)
Balance at the end of the year	**1,360.98**	**1,197.51**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Employees stock options outstanding (refer Note 26)		
Opening balance	148.86	50.24
Add : Employee compensation expense for the year	114.43	167.14
Less: Transfer to securities premium on exercise of options	(163.47)	(67.46)
Less: Reversal due to lapse of options	(13.86)	(1.07)
Balance at the end of the year	**85.96**	**148.86**
Retained earnings		
Opening balance	689.89	456.88
Add: profit / (loss) for the year	425.82	234.25
Add / (Less): Re-measurement gains / (losses) on defined benefit plans	(12.28)	(1.24)
Balance at the end of the year	**1,103.42**	**689.89**
Total Other equity	**2,776.87**	**2,248.90**

Employees stock options outstanding

The share based option outstanding account is used to recognize the grant date fair value of options issued to employees under Company's employee stock option schemes.

Retained earnings:

Retained earnings comprises of prior and current year's undistributed earnings after tax.

Securities premium

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its Members out of the Securities Premium and the Company can use this reserve for buy-back of shares.

General reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss as also on account of lapse of stock options. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 10 : Financial liabilities

10 (a) Trade payable

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	25.94	3.24
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	156.01	7.12
Total	**181.96**	**10.36**

I. Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

II. For disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act,2006, refer note 31

III. For explanation on Company's liability risk management process, refer note 29

IV. For trade payables ageing schedule, refer note 35

10 (b) Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non current		
Lease liability (refer note:28)	37.70	60.59
Total non current lease liabilities	**37.70**	**60.59**
Current		
Lease liability (refer note:28)	13.27	14.48
Total current lease liabilities	**13.27**	**14.48**
Employee benefits payable	123.04	116.78
Creditor for expenses	7.08	6.08
Other financial liabilities	4.60	13.05
Total other current financial liabilities	134.71	135.91
Total	**185.68**	**210.98**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Financial liabilities by category

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortized Cost
March 31, 2025			
Trade payable	-	-	181.96
Lease liabilities	-	-	50.97
Other financial liabilities	-	-	134.71
Total Financial liabilities	**-**	**-**	**367.64**

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortized Cost
March 31, 2024			
Trade payable	-	-	10.36
Lease liabilities	-	-	75.07
Other financial liabilities	-	-	135.91
Total Financial liabilities	**-**	**-**	**221.35**

For financial instruments risk management objectives and policies, refer Note 29

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment, refer note 29

Note 11 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	91.88	64.13
Total Non-Current Provisions	**91.88**	**64.13**
Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	26.82	24.35
Total Current Provisions	**26.82**	**24.35**
Total	**118.69**	**88.48**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 12 : Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory liabilities- Others	97.12	46.17
Advance from customers	1.24	12.58
Excess billing over revenue	36.85	53.87
Provision for expenses	435.01	199.12
Total	**570.21**	**311.74**

Note 13 : Revenue from operations

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Sale of services	4,238.99	3,587.96
Total	**4,238.99**	**3,587.96**

Refer note 34 ''Disclosure pursuant to Ind AS 115 ''Revenue from contract with customers''

Note 14 : Other income

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Net foreign exchange gain	19.34	4.71
Interest Income - Bank Deposits	0.48	0.26
Interest Income - Others	1.50	4.04
No longer payable	1.67	-
Gain on fair value of investment	-	1.02
Income on Derecognition of Car Lease Assets	1.04	-
Total	**24.02**	**10.03**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 15 : Employee benefits expense

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Salaries,wages and bonus^	1,571.14	1,462.25
Contribution to provident and other funds (refer note 23)	35.22	38.02
Share based payments to employees (refer note 26)*	114.43	167.14
Staff welfare expenses	11.64	4.17
Total	**1,732.44**	**1,671.59**
^Salaries,wages and bonus (net of capitalisation)		
Salary and wages	1,571.14	1,462.25
Less: Cost capitalized	-	-
Salaries,wages and bonus cost for the year	**1,571.14**	**1,462.25**
* Employee stock option outstanding expenses		
Share based payment expense	114.43	167.14
Less : Cost capitalized	-	-
ESOP cost for the year	**114.43**	**167.14**

Refer note 26 for Employee stock option scheme expenses

Note 16 : Finance costs

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Interest expense - on statutory dues	0.01	0.05
Interest expense on right of use assets (refer note 28)	4.77	5.95
Total	**4.78**	**6.00**

Note 17 : Depreciation and amortization expense

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Depreciation on tangible assets (refer note 3)	21.52	15.61
Amortization on intangible assets (refer note 4)	187.33	213.68
Depreciation on right of use assets (refer note 3)	13.66	14.07
Total	**222.51**	**243.37**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 18 : Other expenses

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Bank charges	2.31	2.73
Software expenses	11.69	5.39
Insurance expenses	0.38	0.47
Communication expenses	1.87	2.97
Commission expenses	0.25	3.09
Legal and consultancy expenses	34.35	43.10
Office expenses	3.64	3.67
Payments to auditors	4.19	4.08
Rent *	70.84	97.63
Rate and taxes	1.31	10.88
Sales Promotion Expenses	7.06	18.58
Advertisement expenses	6.25	1.90
Bad Debts	0.24	-
Director Sitting Fees	5.45	4.70
Balances Written off	3.14	0.16
Electricity expenses	7.21	7.17
Printing & stationery expenses	0.34	0.26
Travelling expenses	14.03	11.61
Repair & maintenance expenses	1.55	2.53
Security expenses	2.01	1.92
Subscription expenses	19.74	20.82
Loss on fair value of investment	6.46	-
CSR Expenses (Refer Note 33)	4.00	1.51
Total	**208.31**	**245.16**

*Refer note 24 for Related party transactions

Notes

to the financial statements for the year ended March 31, 2025 (continued)

18 (a) Payments to auditors

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Audit Fees	3.00	3.00
For taxation matters	0.93	0.90
For other services	0.27	0.18
Total	**4.19**	**4.08**

Note 19 : Contingent liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Contingent liabilities not provided for		
a. Claims against Company not acknowledged as debts	-	-
b. Guarantees given by bank on behalf of the Company	-	-

Note 20 : Capital commitment and other commitments

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	-	-

Note 21 : Foreign Exchange derivatives and exposures not hedged

A. Foreign exchange derivatives: The Company does not have any foreign exchange derivatives

B. Exposure not hedged:

Nature of exposure	Currency	As at March 31, 2025		As at March 31, 2024	
		Foreign currency	Local currency (₹ in Lakhs)	Foreign currency	Local currency (₹ in Lakhs)
Financial Assets	USD	10,46,077	894.13	11,66,443	972.87
	AUD	62,400	33.58	-	-
	EUR	380	0.35	380	0.34
	SGD	200	0.13	200	0.12
	MUF	55	0.00	55	0.00

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 22 : Income tax

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Tax paid in advance (net of provison)	-	13.84
Total	**-**	**13.84**
Tax provision (net of advance tax and TDS)	66.97	-
Total	**66.97**	**-**

The major component of income tax expense for the year ended March 31, 2025 and year ended March 31, 2024 are :

Particulars	2024 - 25	2023 - 24
Statement of Profit and Loss		
Current tax		
Current income tax	128.80	70.64
(Excess)/short provision related to earlier years	(3.54)	(3.64)
Deferred tax		
Deferred tax expense/ (credit)	(44.85)	4.09
Income tax expense reported in the statement of profit and loss	**80.41**	**71.09**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2025 and year ended March 31, 2024

A) Current tax

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Accounting profit before tax from operations	**506.23**	**305.34**
Enacted tax rate	25.17%	25.17%
Computed expected tax expense	127.41	76.85
Adjustment		
Effect of non-deductable expenses	1.40	(6.21)
(Excess)/short provision related to earlier years	(3.54)	(3.64)
	125.27	**67.00**

Notes

to the financial statements for the year ended March 31, 2025 (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, 2025 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)	March 31, 2025 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)
Provision for employee benefits	29.87	22.27	(7.60)	(3.71)
Excess of depreciation/ amortisation on fixed assets in accounts over depreciation/ amortisation provided under income-tax law.	8.88	6.49	(2.39)	7.54
Income not subject to tax related to Ind AS adjustment	(56.45)	(91.30)	(34.86)	0.25
Deferred tax expense / (income)			**(44.85)**	**4.09**
Net deferred tax assets/(liabilities)	**(17.69)**	**(62.55)**		
Reflected in the balance sheet as follows				
Deferred tax assets	-	-		
Deferred tax liabilities	(17.69)	(62.55)		
Deferred tax assets (net)	**(17.69)**	**(62.55)**		

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Reconciliation of deferred tax assets / (liabilities), net		
Opening balance as of April 1	(62.55)	(58.46)
Tax income/(expense) during the year recognized in profit or loss	44.85	(4.09)
Closing balance as at March 31	**(17.69)**	**(62.55)**

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, 2025 (continued)

Note 23 : Disclosure pursuant to Employee benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan.The Company has no obligations other than to make the specified contribution. The contribution is charged to the Statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident fund for the year is as follows:

Amount of Rs. 35.22 Lakhs (March 31, 2024: Rs. 38.02 Lakhs) is recognized as expenses and included in Note No. 15 Employee benefit expense

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provident Fund	34.67	35.94
ESIC	0.55	2.09
Total	35.22	38.02

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan (unfunded) wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2025 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	April 1, 2024	Gratuity cost charged to statement of profit and loss				Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2025
		Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	88.48	-	13.49	5.94	19.42	(1.50)	-	-	4.07	8.21	12.28	-	118.69
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	88.48	-	13.49	5.94	19.42	(1.50)	-	-	4.07	8.21	12.28	-	118.69
Total benefit liability	**88.48**	**-**	**13.49**	**5.94**	**19.42**	**(1.50)**	**-**	**-**	**4.07**	**8.21**	**12.28**	**-**	**118.69**

March 31, 2024 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	April 1, 2023	Gratuity cost charged to statement of profit and loss				Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2024
		Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	73.76	-	10.76	5.05	15.81	(2.32)	-	-	1.02	0.22	1.24	-	88.48
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	73.76	-	10.76	5.05	15.81	(2.32)	-	-	1.02	0.22	1.24	-	88.48
Total benefit liability	**73.76**	**-**	**10.76**	**5.05**	**15.81**	**(2.32)**	**-**	**-**	**1.02**	**0.22**	**1.24**	**-**	**88.48**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	6.65% p.a.	7.20% p.a.
Future salary increase	8.00% p.a.	8.00% p.a.
Attrition rate	40% at younger ages reducing to 5% at older ages	40% at younger ages reducing to 5% at older ages
Mortality rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Retirement age	58 years	58 years

A quantitative sensitivity analysis for significant assumptions is as shown below:

		increase / decrease in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**Year ended March 31, 2025** (₹ in Lakhs)	**Year ended March 31, 2024** (₹ in Lakhs)
Gratuity			
Discount rate	0.5% increase	114.98	85.99
	0.5% decrease	122.68	91.16
Future Salary increase	0.5% increase	122.61	91.12
	0.5% decrease	115.00	86.00
Withdrawal rates	10% increase	116.60	87.17
	10% decrease	120.99	89.93

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
Gratuity		
Within one year	26.82	24.35
After one year but not more than five years	48.71	35.94
Beyond 5 years	28.84	22.94

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2025 (Years)	Year ended March 31, 2024 (Years)
Gratuity	6.99	6.78

Risk exposure

A. Actuarial risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary Growth experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates:

If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

C. Liquidity risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 24 : Related party disclosures.

As per the Indian Accounting Standard on "Related party disclosures" (IND AS 24), the related parties of the Company are as follows :

Name of related parties and nature of relationship :

Sr.No	Relationship	Name of company/person
1	**Key Management Personnel**	
	Managing Director	Hiten Barchha
	Non-Executive Chairman	Keyur Shah
	Non-executive Directors	Sanket Khemuka Jigar Shah Dipti Chitale Roopkishan Dave (Upto November 29,2024)
	Chief financial officer (CFO) and Executive Director	Janmaya Pandya
	Company Secretary (CS)	Jainam Shah
2	**Subsidiary companies**	DRC SYSTEMS EMEA L.L.C-FZ DRC Systems USA LLC (with effect from July 17, 2023)
3	**Associate companies**	Nighthack Technology Private Limited (with effect from October 27, 2023)
4	**Entities having common director**	Infibeam Digital Entertainment Private Limited (Upto November 29,2024)
5	**Other Related Parties**	AppiZap L.L.C-FZ (with effect from July 24, 2023) - (Associate of Wholly owned subsidiary) Infibeam Avenues Limited - (holding >10% in FY 2023-24) Avenues Infinite Private Limited - (holding >10% in FY 2023-24)

Related party transactions

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Subsidiary companies	Associate companies	Entities having common director	Other Related Parties	Total
Investment in equity shares							
DRC SYSTEMS EMEA L.L.C-FZ	March 31, 2025	-	770.61	-	-	-	**770.61**
	March 31, 2024	-	-	-	-	-	**-**
DRC Systems USA LLC	March 31, 2025	-	-	-	-	-	**-**
	March 31, 2024	-	0.08	-	-	-	**0.08**
Nighthack Technology Private Limited	March 31, 2025	-	-	-	-	-	**-**
	March 31, 2024	-	-	100.00	-	-	**100.00**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Particulars	Year ending	Key Management Personnel	Subsidiary companies	Associate companies	Entities having common director	Other Related Parties	Total
Salaries paid							
Hiten Barchha	March 31, 2025	81.24	-	-	-	-	**81.24**
	March 31, 2024	65.00	-	-	-	-	**65.00**
Janmaya Pandya	March 31, 2025	29.27	-	-	-	-	**29.27**
	March 31, 2024	21.22	-	-	-	-	**21.22**
Jainam Shah	March 31, 2025	17.08	-	-	-	-	**17.08**
	March 31, 2024	13.57	-	-	-	-	**13.57**
Directors sitting fees expense							
Director sitting fees to non-executive and independent directors	March 31, 2025	5.45	-	-	-	-	**5.45**
	March 31, 2024	4.70	-	-	-	-	**4.70**
Services taken							
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	**-**
	March 31, 2024	-	-	-	-	1,426.70	**1,426.70**
Nighthack Technology Private Limited	March 31, 2025	-	-	242.58	-	-	**242.58**
	March 31, 2024	-	-	94.52	-	-	**94.52**
Avenues Infinite Private Limited	March 31, 2025	-	-	-	-	-	**-**
	March 31, 2024	-	-	-	-	6.00	**6.00**
Services given							
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	**-**
	March 31, 2024	-	-	-	-	141.38	**141.38**
DRC SYSTEMS EMEA L.L.C-FZ	March 31, 2025	-	691.92	-	-	-	**691.92**
	March 31, 2024	-	190.85	-	-	-	**190.85**
DRC Systems USA LLC	March 31, 2025	-	229.66	-	-	-	**229.66**
	March 31, 2024	-	75.33	-	-	-	**75.33**
AppiZap L.L.C-FZ	March 31, 2025	-	-	-	-	1,684.09	**1,684.09**
	March 31, 2024	-	-	-	-	1,658.40	**1,658.40**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Particulars	Year ending	Key Management Personnel	Subsidiary companies	Associate companies	Entities having common director	Other Related Parties	Total
Reimbursement of expenses From - other expenses							
Infibeam Avenues Limited	March 31, 2025	-	-		-	-	-
	March 31, 2024	-	-		-	2.11	**2.11**
Infibeam Digital Entertainment Private Limited	March 31, 2025	-	-		0.88	-	**0.88**
	March 31, 2024	-	-		1.43	-	**1.43**
Business advance taken							
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	805.79	**805.79**
Repayment of business advance taken							
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	805.79	**805.79**
Rent expenses							
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	70.84	**70.84**
Closing balance							
Trade payable							
Nighthack Technology Private Limited	March 31, 2025	-	-	21.96	-	-	**21.96**
	March 31, 2024	-	-	1.95	-	-	**1.95**
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	2.20	**2.20**
Avenues Infinite Private Limited	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	1.96	**1.96**
Provision for expenses							
Infibeam Digital Entertainment Private Limited	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	0.08	-	**0.08**
Nighthack Technology Private Limited	March 31, 2025	-	-	22.33	-	-	**22.33**
	March 31, 2024	-	-	19.51	-	-	**19.51**
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	170.24	**170.24**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Subsidiary companies	Associate companies	Entities having common director	Other Related Parties	Total
Trade Receivables							
AppiZap L.L.C-FZ	March 31, 2025	-	-	-	-	759.02	**759.02**
	March 31, 2024	-	-	-	-	740.64	**740.64**
Accrued Revenue							
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	-	**-**
	March 31, 2024	-	-	-	-	8.05	**8.05**
DRC SYSTEMS EMEA L.L.C-FZ	March 31, 2025	-	68.38	-	-	-	**68.38**
	March 31, 2024	-	-	-	-	-	**-**

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, 2025 (March 31, 2024 : Rs.Nil)

Note 25 : Earning per share

Particulars	2024-25	2023-24
Earning per share (basic and diluted)		
Profit attributable to ordinary equity holders (₹ in Lakhs)	425.82	234.25
Total no. of equity shares at the end of the year	**13,36,94,330**	**13,24,65,930**
Weighted average number of equity shares		
For basic EPS	13,26,12,461	13,19,59,430
For diluted EPS	13,31,87,998	13,38,70,077
Nominal value of equity shares	1.00	1.00
Basic earning per share	0.32	0.18
Diluted earning per share	0.32	0.17
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	13,26,12,461	13,19,59,430
Effect of dilution: Employee stock options	5,75,537	19,10,647
Weighted average number of equity shares adjusted for the effect of dilution	13,31,87,998	13,38,70,077

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 26: Share based payments

Employee stock option (ESOP) scheme (2021-22):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on August 27, 2021 read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on September 28, 2021. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled in demat mode. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Re 1 which is 93% to 98% below the market price at the date of grant.

Scheme	ESOP Scheme 2021-22		
Date of grant	April 01, 2024	April 01, 2023	October 01, 2023
Number of options granted	34,300	22,800	5,51,500
Exercise price per option	1.00	1.00	1.00
Vesting requirements	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.
Exercise period	1 year - 5 years	1 year - 5 years	1 year - 5 years
Method of settlement	Demat mode	Demat mode	Demat mode

The following table sets forth a summary of the activity of options:

Particulars	2024-25 (ESOP Scheme 2021-22)	2023-24 (ESOP Scheme 2021-22)
Options		
Outstanding at the beginning of the year	19,59,150	3,40,000
Granted during the year	34,300	5,74,300
Exercised during the year	(12,28,400)	(2,53,250)
Lapse during the year	(1,74,750)	(8,000)
Outstanding at the end of the year-Pre-Bonus	-	6,53,050
Outstanding at the end of the year-Post-Bonus *	5,90,300	19,59,150
Exercisable at the end of the year	**5,90,300**	**19,59,150**

* In view of Bonus shares issued by the Company in the ratio of 2:1, the outstanding stock options as on the record date of Bonus are being entitled to bonus and hence the post bonus effect is considered for outstanding stock options as at March 31, 2024

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognized in profit or loss as part of employee benefit expense were as follows :

(₹ in Lakhs)

Particulars	2024-25	2023-24
Options		
Employee stock option plan	114.43	167.14
Total employee share based payment expense	**114.43**	**167.14**

The fair value of the share based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Particulars	2024-25	2023-24	
Option grant date	**April 01, 2024**	**April 01, 2023**	**October 01, 2023**
Weighted average share price**	19.39	15.49	13.66
Exercise price	1	1	1
Expected volatility	53.16%	77.31%	77.31%
Expected life (years)	1.50	1.50	1.50
Dividend yield	NIL	NIL	NIL
Risk-free interest rate (%)	6.98%	6.98%	7.08%
Fair market value share **	19.30	15.43	13.60
Weighted average remaining contractual life (Years)	2	2	2

**Post Bonus Price

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 27 : Segment reporting

Based on the "management approach" as defined in Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Company operates in one business segment, which is primarily related to Software development, maintenance and other ancillary services.

A. Geographical Information

Segment revenue is analysed based on the location of customers regardless of where the services are provided from. The following provides an analysis of the Company's sales by Geographical Markets. For management purpose, the Company operates in three principal geographical areas of the world, in India, in UAE and other countries. As the Company does not operate in more than one business segment, disclosures for primary segment as required under Ind AS 108 have not been given.

B. Unallocated items:

Domestic geographical segment includes certain assets which are common to both the geographical segment (i.e. Domestic and Export). Non-current assets exclude 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.

(₹ in Lakhs)

Particulars	Year ending	India	UAE	Others	Total
Revenue from operations	31-03-2025	1,120.93	2,376.02	742.05	**4,238.99**
	31-03-2024	1,326.17	1,849.24	412.55	**3,587.96**
Carrying amount of segment non-current assets*	31-03-2025	1,109.62	793.32	1,589.27	**3,492.21**
	31-03-2024	1,467.76	22.71	1,439.95	**2,930.41**

* The carrying amount of Non Current Assets which do not include Deferred Tax Asset, Income Tax Assets. Financial Assets analysed the geographical area in which the Assets are located.

Note 28 : Lease

A. Operating lease - current

The Company has taken commercial premises under operating leases. The leases period is of less than 1 year. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognized as an expense in the Statement of Profit and Loss during the year is Rs. 70.84 Lakhs (previous year Rs. 97.63 Lakhs)

B. Operating lease - non-current

The Company's lease asset primarily consist of leases of vehicles having the various lease terms. Accordingly, the Company has adopted IND AS 116 "Leases" to all lease contracts.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Following is carrying value of right of use assets recognized and the movements thereof during the year ended March 31, 2025 and March 31,2024 :

Particulars	Right of use assets	
	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Opening Balance	70.07	57.42
Additions during the year	-	26.72
Deletion during the year	(10.44)	-
Depreciation of Right of use assets (refer note 3)	13.66	14.07
Closing balance	**45.97**	**70.07**

The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2025 and March 31, 2024 :

Particulars	Lease liability	
	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Opening Balance	75.07	60.47
Additions during the year	-	26.72
Finance cost accrued during the year (refer note 16)	4.77	5.95
Deletions	(10.44)	-
Payment of lease liabilities	(17.39)	(18.07)
Income on Derecognition of Car Lease Assets	(1.04)	-
Closing balance	**50.97**	**75.07**
Current maturities of lease liability (refer note 10)	13.27	14.48
Non-current lease liability (refer note 10)	37.70	60.59

The following are the amounts recognized in statement of profit & loss :

Particulars	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Depreciation of right of use assets (refer note 3)	13.66	14.07
Interest on lease obligation (refer note 16)	4.77	5.95
Total	**18.43**	**20.02**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

The Company had total cash out flows for leases of Rs. 17.39 Lakhs in the current year (year ended March 31, 2024 Rs. 18.06 Lakhs). The entire amount is in the nature of fixed lease payments. The Company had non-cash addition to right of use assets of Rs. NIL in the current year (year ended March 31, 2024 Rs. 26.72 Lakhs) and lease liabilities of Rs. NIL in the current year (year ended March 31, 2024 Rs. 26.72 Lakhs) on account of acquisition of right of use assets.

The weighted average incremental borrowing rate applied to lease liabilities is 8%

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 29 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

As at March 31, 2025

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	Amortized Cost	Fair value through		Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobserv-able inputs	Total
		Other comprehensive income	Profit and loss					
Financial assets								
Non current investments	893.40	-	1,972.11	2,865.51	-	1,972.11	893.40	2,865.51
Other non-current financial assets	25.17	-	-	25.17	-	-	25.17	25.17
	918.57	**-**	**1,972.11**	**2,890.68**	**-**	**1,972.11**	**918.57**	**2,890.68**
Financial liabilities								
Other financial liabilities - non current	37.70	-	-	37.70	-	-	37.70	37.70
Total	**37.70**	**-**	**-**	**37.70**	**-**	**-**	**37.70**	**37.70**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

As at March 31, 2024

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	Amortized Cost	Fair value through		Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
		Other comprehensive income	Profit and loss					
Financial assets								
Non current investments	122.79	-	1,978.57	2,101.36	-	1,978.57	122.79	2,101.36
Other non-current financial assets	12.28	-	-	12.28	-	-	12.28	12.28
	135.07	**-**	**1,978.57**	**2,113.64**	**-**	**1,978.57**	**135.07**	**2,113.64**
Financial liabilities								
Other financial liabilities - non current	60.59	-	-	60.59	-	-	60.59	60.59
Total	**60.59**	**-**	**-**	**60.59**	**-**	**-**	**60.59**	**60.59**

The management assessed that cash and cash equivalents, other bank balances, loans, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Level 2 - Valuation technique and significant observable inputs for assets and liabilities

The fair values of the unquoted non current investment have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of these operations include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

Financial instruments and cash deposits

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with company's policy. Investment of surplus funds are primarily made in Liquid/Short Term Plan of Mutual Funds and in Bank Deposits which carry a high external rating.

Trade receivables

Trade receivables of the company are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which company grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

Particulars	Carrying amount as at	
	March 31, 2025 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)
Domestic	144.96	97.72
Other regions	803.61	751.55
Total	**948.57**	**849.26**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Impairment

The ageing of trade and other receivables that were not impaired was as follows:

(₹ in Lakhs)

Particulars	Carrying amount as at					
	March 31, 2025			March 31, 2024		
	Gross	Less: Provision	Net	Gross	Less: Provision	Net
Less than six months	948.57	-	948.57	840.10	-	840.10
More than six months	-	-	-	9.16	-	9.16
Total	**948.57**	**-**	**948.57**	**849.26**	**-**	**849.26**

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, 2025 and March 31, 2024.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	Less than 1 Year	More than 1 Year
Year ended March 31, 2025		
Trade payables	181.96	-
Other financial liabilities	147.98	37.70
	329.94	**37.70**
Year ended March 31, 2024		
Trade payables	10.36	-
Other financial liabilities	150.40	60.59
	160.76	**60.59**

iii. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Company does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AUD and EUR 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.

(₹ in Lakhs)

	Change in USD rate	Effect on profit before tax
March 31, 2025	**+5%**	**44.71**
	-5%	**(44.71)**
March 31, 2024	+5%	48.64
	-5%	(48.64)

(₹ in Lakhs)

	Change in AUD rate	Effect on profit before tax
March 31, 2025	**+5%**	**1.68**
	-5%	**(1.68)**
March 31, 2024	+5%	-
	-5%	-

(₹ in Lakhs)

	Change in EUR rate	Effect on profit before tax
March 31, 2025	**+5%**	**0.02**
	-5%	**(0.02)**
March 31, 2024	+5%	0.02
	-5%	(0.02)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed plus variable rate borrowings.

Equity price risk management

The Company's exposure to equity price risk arises from investment held by the Company and classified as FVTPL. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 30 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest-bearing loans and borrowings	-	-
Less: cash and cash equivalent (including other bank balance) (Note 5)	110.56	144.59
Net debt	**(110.56)**	**(144.59)**
Equity share capital (Note 8)	1,336.94	1,324.66
Other equity (Note 9)	2,776.87	2,248.90
Shareholder's Equity	**4,113.82**	**3,573.56**
Gearing ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

Note 31 : Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum in accordance with the ' Micro, Small and Medium Enterprises Development Act, 2006' (the MSMED Act') accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2025 and March 31, 2024 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Dues remaining unpaid to any supplier as at the end of accounting year; Principal Interest on the above	25.94 -	3.24 -
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, which have been registered with the relevant competent authorities. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

Note 32: Transfer Pricing

The Company's transactions with associated enterprises are at arm's length. Management believes that company's domestic transactions with associated enterprises post March 31, 2025 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for the taxation at the period end.

Note 33 : Corporate Social Responsibility (CSR) Activities :

a. The Company is required to spend Rs. 3.94 Lakhs (Previous Year Rs. 1.50 Lakhs) on CSR activities.

b. Amount spent during the year on:

(₹ in Lakhs)

Description	2024-25			2023-24		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
I. Construction / Acquisition of an Assets	-	-	-	-	-	-
II. Contribution to Trust/ Universities	4.00	-	4.00	1.51	-	1.51
III. On Purposes other than above	-	-	-	-	-	-
c. Shortfall at the end of the year	-			-		
d. Total of previous years shortfall	-			-		
e. Reason for shortfall	Not Applicable			Not Applicable		
f. Nature of CSR activities undertaken by the company	Providing food items, Plantation medical and other social activities under Swachh Bharat Abhiyan			Providing food items, Plantation medical and other social activities under Swachh Bharat Abhiyan		
g. Details of related party transaction	NIL			NIL		

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 34: Disclosure pursuant to Ind AS 115 "Revenue from contract with customers":

a. Disaggregation of revenue

The table below presents disaggregated revenue from contract with customers for the year ended March 31, 2025 and March 31, 2024 by offerings.

i) Revenue by offerings

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
IT and IT enabled Services	4,238.99	3,587.96
Total	**4,238.99**	**3,587.96**

IT and IT enabled Services

IT comprises of web & mobile app development, maintenance, testing and related ancillary services.

ii) Refer note 27 for disaggregation of revenue by geographical segments

iii) The Company believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors.

b. Transaction price allocated to remaining performance obligation

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2025 is Rs. 36.85 Lakhs (March 31, 2024: Rs. 53.87 Lakhs) which is expected to be recognized as revenue within the next one or more than one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revalidations, and adjustments for currency.

c. Changes in contract assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	217.09	48.56
Revenue recognized during the year	438.97	217.09
Invoices raised during the year	(217.09)	(48.56)
Balance at the end of the year	**438.97**	**217.09**

d. Changes in unearned and deferred revenue are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	53.87	4.72
Revenue recognized that was included in the excess billing over revenue at the beginning of the year	(53.71)	(4.47)
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	36.68	53.63
Balance at the end of the year	**36.85**	**53.87**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 35: Ageing schedule

a. Trade receivables ageing schedule

As at March 31, 2025

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	948.57	-	-	-	-	**948.57**

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	840.10	-	9.16	-	-	**849.26**

b. Trade Payables Ageing Schedule

As at March 31, 2025

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	25.94	-	-	-	-	**25.94**
Others	156.01	-	-	-	-	**156.01**
Total	**181.96**	**-**	**-**	**-**	**-**	**181.96**

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	3.24	-	-	-	-	**3.24**
Others	7.12	-	-	-	-	**7.12**
Total	**10.36**	**-**	**-**	**-**	**-**	**10.36**

Notes

to the financial statements for the year ended March 31, 2025 (continued)

Note 36 : Additional regulatory information

a. **Analytical ratios**

Ratios	Numerator	Denominator	As on March 31, 2025	As on March 31, 2024	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.77	2.64	-33%	Decrease due to higher proportionate increase in current liabilities as compared to current assets
Debt equity ratio	Borrowings	Total Equity	-	-	NA	NA
Debt service coverage ratio	EBITDA	Interest + Principal	-	-	NA	NA
Return on equity ratio	EBIT	Total Assets less Total Liabilities	12.42%	8.71%	43%	Increase due to increase in EBIT during current year.
Net capital turnover ratio	Income from Operations	Average Working Capital (Current Assets less Current Liabilites)	5.35	4.47	20%	There is no significant variance
Net profit ratio	Net Profit	Total Income	9.99%	6.51%	53%	Increase due to increase in Profit after Tax during current year.
Trade receivables turnover ratio	Income from Operations	Average Trade Receivables	4.72	5.63	-16%	There is no significant variance
Trade payables turnover ratio	Contracting Expenses	Average Trade Payables	16.52	20.91	21%	There is no significant variance
Return on capital employed	EBIT	Total Assets less Current Liabilities	11.99%	8.28%	45%	Increase due to increase in EBIT during current year.
Inventory Turnover Ratio	NA	NA	NA	NA	NA	NA
Return on investment	Income generated from investments	Average Investments	-	-	NA	No Income generated from Investments during the year

Notes

to the financial statements for the year ended March 31, 2025 (continued)

b. Others

1. There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.

2. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

3. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

4. Utilisation of Borrowed funds and share premium;

   The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries"); or

   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the company shall

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5. Undisclosed Income : The Company do not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.

6. Details of Crypto Currency or Virtual Currency : The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2025. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

Notes

to the financial statements for the year ended March 31, 2025 (continued)

7. **Title deeds of Immovable Property not held in name of the Company**

   The company does not hold any immovable property not held in the name of the company.

8. Details of Relationship with Struck off Companies

   As at March 31, 2025:

   The company does not have closing balances with struck off companies as at March 31,2025

   As at March 31, 2024:

   The company does not have closing balances with struck off companies as at March 31,2024

As per our report of even date
For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
DRC SYSTEMS INDIA LIMITED

Report on the Audit of the Consolidated Ind AS financial statements

Opinion

We have audited the consolidated Ind AS financial statements of **DRC Systems India Limited ("the Holding Company")** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Cash Flow, the Consolidated statement of changes in equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statement of the subsidiaries referred to in the Other Matters section below, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2025, and their Consolidated profit, their Consolidated total comprehensive income, their Consolidated cash flows, and their consolidated changes in equity for the year ended on that date.

Basis of Opinion

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

INDEPENDENT AUDITORS' REPORT (continued)

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Employee Stock Option Plan ('ESOP')

Key Audit Matter	How the matter addressed in our audit
The Holding Company has ESOP scheme for its employees under which the Holding Company grants stock options to eligible employees. In accordance with the principles of Ind AS 102 'Share Based Payments' ('Ind AS 102'), the fair value of aforesaid employee stock options determined as at the date of their grant is recognized as employee compensation cost by the Holding Company over the vesting period of such options. The fair valuation of options granted to employees is derived as per Black Scholes model based on Independent Registered Valuer's report. Considering significant management judgment and materiality of amounts involved, fair valuation of ESOP grant is considered as a key audit matter for the current year audit. Kindly refer Note No. 26 to the consolidated IND AS financial statements.	Our audit procedures relating to valuation of ESOP included but were not limited to the following: • Obtained an understanding of the terms and arrangements of Employee Stock Option Plans; • Evaluated the design and tested operating effectiveness of internal financial controls over the methodology, variables used for calculating the fair value and their rationales to determine the fair value of options granted during the year; • Verified the Independent Registered Valuer's report for fair value of Employee stock options as per Black Scholes model. • Ascertained arithmetical accuracy of computation of share-based payment expense; and • Evaluated the appropriateness of disclosures made in the Consolidated financial statements with respect to share-based payments as required by applicable Indian Accounting Standards.

INDEPENDENT AUDITORS' REPORT (continued)

Other Information

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

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

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

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

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

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Consolidated Ind AS financial statements in place and the operating effectiveness of such controls.

INDEPENDENT AUDITORS' REPORT (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary companies to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of Ind AS financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entity included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

The accompanying Statement includes the audited Ind AS financial statements and other financial information, in respect of;

- **2 Subsidiaries** whose Financial Results/statements reflects total assets of Rs. 5550.64 Lakhs as at March 31, 2025, total revenue of Rs. 3220.31 Lakhs, net Profit after tax of Rs. 1068.89 Lakhs and total comprehensive income of Rs. 1068.89 Lakhs for the year ended on that date and net cash outflow of Rs. 173.56 Lakhs for the year ended on March 31, 2025.
- **2 Associates** whose Financial Results/statements reflects group's share of total comprehensive income of Rs. 12.78 Lakhs for the year ended on that date.

These Ind AS financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates, is based solely on the report of other auditors and the procedures performed by us are as stated in paragraph above. Our opinion is not modified in respect of this matter

The subsidiaries are located outside India whose Ind AS financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditor under generally accepted auditing standards

INDEPENDENT AUDITORS' REPORT (continued)

applicable in respective country. The Holding Company's management has converted the Ind AS financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of subsidiaries located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate Ind AS financial statements of the subsidiaries, we report, to the extent applicable that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. the Consolidated balance sheet, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of Cash Flow and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rule issued thereunder;

e. On the basis of written representations received from the directors of Holding Company as on March 31, 2025 taken on record by the Board of Directors of Holding Company, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting with reference to the Ind AS financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the **Annexure -A,** which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i). The Group does not have any pending litigations which would impact its financial position.

   (ii). The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   (iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (iv). (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or in any other person(s) or entity(ies), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose Ind AS financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated Ind AS financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose Ind AS financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(i). The Group has neither declared nor paid any dividend during the year.

(j). Based on our examination which included test checks, and based on the other auditor's reports of its subsidiaries and its associates, companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, its subsidiaries and its associates have used accounting software systems for maintaining their respective books of account for the financial year ended 31 March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

The audit trail has been preserved by the Company as per the statutory requirements for record retention.

(k). With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries and associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Place: Ahmedabad
Date: 28th May 2025
UDIN: 25046922BMHVHO4526

Chandramaulin J. Rajpara
Partner
M. No. 046922

INDEPENDENT AUDITORS' REPORT (continued)

Annexure A to the Independent Auditor's report on the Consolidated Ind AS financial statements of DRC Systems India Limited for the year ended on March 31, 2025

Report on the Internal Financial Controls with reference to the Consolidated Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

In conjunction with our audit of the consolidated Ind AS financial statements of DRC Systems India Limited as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of DRC Systems India Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Ind AS financial statements of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

INDEPENDENT AUDITORS' REPORT (continued)

Annexure - B to the Independent Auditors' Report

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India.

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

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

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

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS Ind AS financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Place: Ahmedabad
Date: 28th May 2025
UDIN: 25046922BMHVHO4526

Chandramaulin J. Rajpara
Partner
M. No. 046922

Consolidated Balance Sheet

as at March 31, 2025

Particulars	Notes	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	31.56	35.23
Right of use assets	3	45.97	70.07
Other intangible assets	4	4,673.76	1,628.61
Intangible assets under development	4	-	1,042.56
Financial assets	5		
(i) Investments		2,090.26	2,083.95
(ii) Other financial assets		25.17	12.28
Non-current tax assets (net)	7	-	13.84
Total non-current assets		**6,866.72**	**4,886.53**
II. Current assets			
Financial assets	5		
(i) Trade receivables		974.41	1,969.14
(ii) Cash and cash equivalents		206.14	413.72
(iii) Loans		-	35.66
(iv) Others financial assets		1,549.92	356.16
Other current assets	6	353.48	195.19
Total current assets		3,083.94	**2,969.87**
Total Assets		**9,950.66**	**7,856.40**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,336.94	1,324.66
Other equity	9	5,122.21	3,458.37
Total equity		**6,459.15**	**4,783.03**
LIABILITIES			
I. Non-current liabilities			
Financial liabilities	10		
(i) Lease liabilities		37.70	60.59
Provisions	11	91.88	64.13
Deferred tax liabilities (net)	22	17.69	62.55
Total non-current liabilities		**147.27**	**187.26**

Consolidated Balance Sheet

as at March 31, 2025

Particulars	Notes	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
II. Current liabilities			
Financial liabilities	10		
(i) Lease liabilities		13.27	14.48
(ii) Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises		25.94	3.24
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		182.81	10.12
(iii) Other financial liabilities		134.71	1,909.31
Provisions	11	26.82	24.35
Other current liabilities	12	2,795.08	924.59
Current tax liabilities (net)	7	165.62	-
Total current liabilities		**3,344.25**	**2,886.10**
Total equity and liabilities		**9,950.66**	**7,856.40**
Summary of significant accounting policies	1-2		

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

As per our report of even date
For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Consolidated Statement of Profit And Loss

for the year ended March 31, 2025

Particulars	Notes	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
Income			
Revenue from operations	13	6,537.71	4,768.30
Other income	14	34.39	10.97
Total income (I)		**6,572.10**	**4,779.27**
Expenses			
Contracting Expenses		1,972.09	1,179.65
Employee benefits expenses	15	1,988.69	1,829.81
Finance costs	16	4.78	6.00
Depreciation and amortisation expenses	17	429.56	254.76
Other expenses	18	503.21	277.26
Total expenses (II)		**4,898.33**	**3,547.49**
Profit before exceptional items, share of profit / (loss) of an associate and tax (III) = (I - II)		**1,673.77**	**1,231.78**
Exceptional items (IV)		-	-
Profit after exceptional items but before share of profit / (loss) of associates and tax (V) = (III + IV)		**1,673.77**	**1,231.78**
Share in net profit/(loss) of associate (VI)		12.78	4.71
Profit before tax (VII) = (V + VI)		**1,686.55**	**1,236.49**
Tax expenses	22		
Current tax		227.45	70.64
(Excess)/short provision related to earlier years		(3.54)	(3.64)
Deferred tax		(44.85)	4.09
Total tax expenses (VIII)		**179.06**	**71.09**
Profit for the year (IX) = (VII - VIII)		**1,507.49**	**1,165.40**
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(12.28)	(1.24)
Total other comprehensive income for the year, net of tax (X)		**(12.28)**	**(1.24)**

Consolidated Statement of Profit And Loss

for the year ended March 31, 2025

Particulars	Notes	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
Total comprehensive income for the year, net of tax (XI)= (IX + X)		**1,495.21**	**1,164.17**
Profit for the year attributable to:			
Owners of the company		1,507.49	1,165.40
Non-controlling Interest		-	-
		1,507.49	**1,165.40**
Other comprehensive Income/ (loss) attributable to:			
Owners of the company		(12.28)	(1.24)
Non-controlling Interest		-	-
		(12.28)	**(1.24)**
Total Comprehensive Income/ (Expenses) attributable to:			
Owners of the company		1,495.21	1,164.17
Non-controlling Interest		-	-
		1,495.21	**1,164.17**
Earning per share [nominal value per share Re.1/- (March 31, 2024: Re.1/-)			
Basic	25	1.14	0.88
Diluted	25	1.13	0.87
Summary of significant accounting policies	1-2		

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

As per our report of even date
For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

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

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

A. Equity share capital

(₹ in Lakhs)

As at March 31, 2024	Changes in Equity Share capital due to prior period errors	Restated balance as at March 31,2024	Changes in Equity Share capital during the year	As at March 31, 2025
1,324.66	-	1,324.66	12.28	**1,336.94**

(₹ in Lakhs)

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

B. Other equity

(₹ in Lakhs)

Particulars	Attributable to equity holders of the parent						Total other equity
	Retained Earnings	Employees Stock Options Outstanding	Securities premium	Capital reserve	General reserve	Foreign currency monetary item translation reserve	
	Note 9	Note 9	Note 9	Note 9	Note 9	Note 9	Note 9
Balance as at March 31, 2023	706.27	50.24	2,013.16	209.61	1.96	7.24	**2,988.49**
Employee compensation expense for the year (refer note 26)	-	167.14	-	-	-	-	**167.14**
Add/ (Less): Transfer to securities premium on exercise of options	-	(67.46)	67.46	-	-	-	**-**
Add/ (Less): Reversal due to lapse of options	-	(1.07)	-	-	1.07	-	**-**
Issue of bonus shares	-	-	(883.11)	-	-	-	**(883.11)**
Add: Foreign currency translation	-	-	-	-	-	21.67	**21.67**
Profit /(Loss) for the year	1,165.40	-	-	-	-	-	**1,165.40**
Re-measurement gains / (losses) on defined benefit plans	(1.24)	-	-	-	-	-	**(1.24)**
Balance as at March 31, 2024	**1,870.44**	**148.86**	**1,197.51**	**209.61**	**3.04**	**28.92**	**3,458.37**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	Attributable to equity holders of the parent						
	Retained Earnings	Employees Stock Options Outstanding	Securities premium	Capital reserve	General reserve	Foreign currency monetary item translation reserve	Total other equity
	Note 9	Note 9	Note 9	Note 9	Note 9	Note 9	Note 9
Balance as at March 31, 2024	**1,870.44**	**148.86**	**1,197.51**	**209.61**	**3.04**	**28.92**	**3,458.37**
Employee compensation expense for the year (refer note 26)	-	114.43	-	-	-	-	**114.43**
Add/ (Less): Transfer to securities premium on exercise of options	-	(163.47)	163.47	-	-	-	**-**
Add/ (Less): Reversal due to lapse of options	-	(13.86)	-	-	13.86	-	**-**
Add: Foreign currency translation	-	-	-	-	-	54.19	**54.19**
Profit /(Loss) for the year	1,507.49	-	-	-	-	-	**1,507.49**
Re-measurement gains / (losses) on defined benefit plans	(12.28)	-	-	-	-	-	**(12.28)**
Balance as at March 31, 2025	**3,365.65**	**85.96**	**1,360.98**	**209.61**	**16.90**	**83.10**	**5,122.21**

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

As per our report of even date

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

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

Particulars	Year ended March 31, 2025 (₹ in Lakhs)		Year ended March 31, 2024 (₹ in Lakhs)	
A. Cash flows from operating activities				
Profit before tax		**1,673.77**		**1,231.78**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortization Expenses	429.56		254.76	
Employee stock option expense (net)	114.43		167.14	
Finance cost	4.78		6.00	
Bad debts written off	195.32		-	
Balances Written off	3.14		0.57	
Unrealized foreign currency exchange loss / (gain) net	(4.68)		15.04	
No longer payable	(1.67)		-	
Interest income on bank deposits	(0.48)		(0.26)	
Interest income - Others	(1.50)		(4.04)	
Fair value gain on investment	6.46		(1.02)	
		745.38		**438.18**
Operating profit before working capital changes		**2,419.15**		**1,669.97**
Adjustments for:				
Changes in trade & other payables	183.76		(84.04)	
Changes in trade receivables	818.29		(1,411.25)	
Changes in other current & non current assets	(153.33)		(36.27)	
Changes in other current and non current liabilities and provisions	69.37		2,659.03	
Net changes in working capital		918.10		1,127.47
Cash generated from operations		**3,337.24**		**2,797.44**
Direct taxes paid (net of income tax refund)		(44.46)		(17.77)
Net cash (used in) from operating activities (A)		**3,292.79**		**2,779.66**

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

Particulars	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
B. Cash Flow from investing activities		
Payment for acquisition of property, plant and equipment and intangible asset (including intangible under development)	(2,340.25)	(2,448.19)
Loans & Advances Given	-	(35.66)
Fixed deposits with bank (net)	(16.17)	3.70
Interest received	1.97	4.30
Investments in/ advance for equity instruments (net)	(1,139.77)	(111.36)
Net cash (used in) from investing activities (B)	**(3,494.22)**	**(2,587.21)**
C. Cash flow from financing activities		
Repayment of Lease Liabilities	(13.66)	(12.12)
Proceeds from exercise of employee stock options (ESOP)	12.28	2.53
Finance cost	(4.78)	(6.00)
Net cash (used in) from financing activities (C)	**(6.15)**	**(15.59)**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(207.59)**	**176.86**
Cash & cash equivalent at the beginning of the year	413.72	236.86
Cash & cash equivalent at the end of the year	**206.14**	**413.72**

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

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

Particulars	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Cash and cash equivalents comprise of: (Note 5d)		
Balances with banks		
Current accounts	204.80	412.43
Cash on hand	1.34	1.30
Cash and cash equivalents	**206.14**	**413.72**

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

As per our report of even date
For, Rajpara Associates
Chartered Accountants
ICAI Firm's Registration No. 113428W

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

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

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

Notes

to the Consolidated Financial Statements for the year ended 31 March 2025

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

a. Corporate Information

DRC Systems India Limited ('the Company') was incorporated on April 27, 2012 under the Companies Act, 1956. The Group (along with its subsidiaries and associates, collectively referred to as (the "group") is a service company and its principal activities comprise of IT and IT enabled services including web and mobile app development, maintenance, testing and related ancillary services.The financial statements were authorized for issue in accordance with a resolution of the directors on May 28, 2025.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited in India. The registered office of the company is located at 24th Floor, GIFT Two Building, Block No. 56, Road – 5C, Zone – 5, GIFT CITY, Gandhinagar, Taluka & District – Gandhinagar – 382 050 Gujarat, India.

The consolidated financial statements were authorized for issue in accordance with a resolution of the Directors on May 28, 2025

b. Statement of compliance

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

c. Basis of preparation of financial statements

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

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Indian Rupee ('INR'). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. The financial statements are presented in Indian Rupee ('INR') and all values are rounded to the nearest lakhs, except when otherwise indicated.

2. Basis of consolidation, Critical Accounting estimates and Summary of Significant Accounting Policies

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associates as at 31 March 2025.

Subsidiaries: Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Equity accounted investees: The Group's interests in equity accounted investees comprise interests in

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to the Financial Statements for the year ended 31 March 2025

associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of each of the subsidiaries and associate used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

Consolidation procedure:

I. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date. Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

II. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

III. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Members of the Group are eliminated in full on consolidation. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the statement of profit and loss.

The consolidated financial statements comprise the financial statements of the Company, and its subsidiaries and associates as disclosed below.

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to the Financial Statements for the year ended 31 March 2025

Name of the Company	Country of Incorporation	% of shareholding As at 31st March, 2025	% of shareholding As at 31st March, 2024
Subsidiaries:			
DRC SYSTEMS EMEA L.L.C-FZ	UAE	100.00%	100.00%
DRC Systems USA LLC	UAE	100.00%	100.00%
Associates:			
Nighthack Technology Private Limited (with effect from October 27, 2023)	India	45.05%	45.05%
AppiZap L.L.C-FZ (with effect from July 24, 2023) - (Associate of Wholly owned subsidiary)	UAE	50.00%	50.00%

b. Critical accounting estimates

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Group to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The Group uses the following critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements:

I. Estimates and assumption

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

II. Defined benefit plans

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

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

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to the Financial Statements for the year ended 31 March 2025

III. **Employee Stock Option Scheme – Share based Payments**

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

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

IV. **Taxes**

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 26.

V. **Intangible asset including intangible asset under development**

Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include the salary and ESOP cost of employees that are directly attributable to development of the asset for its intended use. Research and maintenance costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 2(c) 5for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 4.

VI. **Property, plant and equipment**

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

VII. **Revenue recognition**

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

VIII. **Investments**

Investment in associates is carried at cost in the consolidated financial statements.

IX. **Leases**

The Company evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgment. Computation of the lease liabilities and right-of-use assets requires management to estimate the lease term (including anticipated renewals), and the applicable discount rate. Management estimates the lease term based on the non-cancellable lease-term, options for future renewals if the Company is reasonably certain to exercise and options to terminate the lease if the Company is reasonably certain not to exercise. In performing this assessment, the discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

C. Summary of Significant Accounting Policies

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

1. **Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current

2. Foreign currencies

The Group's financial statements are presented in Indian rupees. The functional currency of Parent and Indian Subsidiaries and Associates is the Indian Rupee. The functional currency of Overseas Subsidiaries and Associates is local currency of the respective countries in which they are incorporated.

Transactions and balances

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

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

The translations of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using exchange rate in the effect at the balance sheet and for revenue, expense and cash-flow items using average exchange rate for respective periods. The gains or losses resulting from such translations are included in currency translation reserve under other component of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

3. Fair value measurement

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

- In the principal market for the asset or liability

Or

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

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

The fair value of an asset or a liability is measured

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to the Financial Statements for the year ended 31 March 2025

using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

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

4. Property, plant and equipment

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

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

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

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

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

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

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

Amortization

Period of Amortization of Intangibles is calculated as follows:

- Computer software generated/acquired – 5 to 10 years

Intangible assets under development

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

6. Leases

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

Group as a lessee

The Group's lease asset classes primarily comprise of lease for Vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right of use the underlying assets as below:

- **Right of use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted

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to the Financial Statements for the year ended 31 March 2025

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

- **Lease Liabilities**

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in other current and non-current financial liabilities.

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

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

7. Impairment of non-financial assets

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

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

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

8. **Borrowing cost**

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

9. **Revenue Recognition**

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

Rendering of services

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

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

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

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

Contract assets are recognized 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 recognized when there is billing in excess of revenues.

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

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

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

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

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and

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to the Financial Statements for the year ended 31 March 2025

similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

10. Financial instruments – initial recognition and subsequent measurement

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

a. Financial assets

i. Initial recognition and measurement.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

ii. Subsequent measurement

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

- Debt instruments at amortized 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)(FVTPL)

Debt instruments at amortized cost:

A debt instrument is measured at amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized 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 recognized in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

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

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

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

Equity instruments:

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

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

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

Investment in associates:

Investment in associates is carried at cost in the consolidated financial statements.

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 derecognized (i.e. removed from the consolidated balance sheet) when:

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

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

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

iv. Impairment of financial assets

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

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to the Financial Statements for the year ended 31 March 2025

reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Financial Liabilities

i. Initial recognition and measurement

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

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

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

ii. Subsequent measurement of financial liabilities

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

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

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

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

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

- **Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization 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 derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

11. Cash and cash equivalent

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

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

12. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

Current income tax relating to items recognized outside Statement of profit and loss is recognized outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognized 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 recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, 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 recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled,

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based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

13. Retirement and other employee benefits

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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 recognized 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 recognized 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 recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

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

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

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

14. Employee stock option schemes – Share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model in accordance with SEBI regulation and Ind As 102: Share based payment

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

15. Earnings per share

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

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

16. Segment reporting

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

Segment policies:

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

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to the Financial Statements for the year ended 31 March 2025

17. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized 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 recognized as a finance cost.

Contingencies

Provision in respect of contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognized 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 recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

18. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, relevant to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 3 : Property, plant and equipment

(₹ in Lakhs)

Particulars	Plant & machinery	Furniture & fixture	Office equipment	Computer, server & network	Total	Right of use assets
Gross Block						
As at March 31, 2023	**78.89**	**27.57**	**2.77**	**130.00**	**239.22**	**71.99**
Additions	-	-	1.07	27.90	28.97	26.72
Deletions	-	-	-	-	-	-
Exchange difference	-	-	-	0.01	0.01	-
As at March 31, 2024	**78.89**	**27.57**	**3.84**	**157.91**	**268.21**	**98.71**
Additions	-	1.76	0.87	15.52	18.15	-
Deletions	-	-	-	-	-	(16.55)
Exchange difference	-	-	-	0.02	0.02	-
As at March 31, 2025	**78.89**	**29.33**	**4.71**	**173.44**	**286.38**	**82.16**
Depreciation						
As at March 31, 2023	**78.71**	**25.75**	**1.01**	**111.65**	**217.12**	**14.57**
Depreciation for the year	-	0.78	0.81	14.26	15.85	14.07
Deductions	-	-	-	-	-	-
Exchange difference	-	-	-	0.00	0.00	-
As at March 31, 2024	**78.71**	**26.53**	**1.82**	**125.92**	**232.98**	**28.64**
Depreciation for the year	-	0.74	1.27	19.82	21.83	13.66
Deductions	-	-	-	-	-	(6.11)
Exchange difference	-	-	-	0.01	0.01	-
As at March 31, 2025	**78.71**	**27.27**	**3.09**	**145.74**	**254.82**	**36.19**
Net Block						
As at March 31, 2025	**0.17**	**2.06**	**1.62**	**27.70**	**31.56**	**45.97**
As at March 31, 2024	**0.17**	**1.04**	**2.02**	**32.00**	**35.23**	**70.07**

Notes : Right of use assets represents vehicles taken on lease for employees, are accounted for in accordance with principal of Ind AS 116 "Leases" (refer note 28)

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 4 : Other intangible assets

(₹ in Lakhs)

Particulars	Computer Software	IT Platform	Intangible assets under development	Total
Cost				
As at March 31, 2023	**45.00**	**2,082.20**	**-**	**2,127.20**
Additions	-	1,396.51	1,584.17	2,980.69
Capitalized	-	-	(541.61)	(541.61)
Exchange difference	-	2.01	-	2.01
As at March 31, 2024	**45.00**	**3,480.73**	**1,042.56**	**4,568.29**
Additions	-	3,377.60	2,322.10	5,699.70
Capitalized	-	-	(3,377.60)	(3,377.60)
Exchange difference	-	64.48	12.94	77.42
As at March 31, 2025	**45.00**	**6,922.81**	**-**	**6,967.81**
Amortisation				
As at March 31, 2023	**45.00**	**1,627.08**	**-**	**1,672.08**
Amortisation for the Year	-	224.84	-	224.84
Exchange difference	-	0.20	-	0.20
As at March 31, 2024	**45.00**	**1,852.12**	**-**	**1,897.12**
Amortisation for the Year	-	394.07	-	394.07
Exchange difference	-	2.86	-	2.86
As at March 31, 2025	**45.00**	**2,249.04**	**-**	**2,294.04**
Net Block				
As at March 31, 2025	**-**	**4,673.76**	**-**	**4,673.76**
As at March 31, 2024	**-**	**1,628.61**	**1,042.56**	**2,671.17**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Ageing for intangible assets under development as on March 31,2025:

(₹ in Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Ageing for intangible assets under development as on March 31,2024:

(₹ in Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	1,042.56	-	-	-	1,042.56
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development as at March 31, 2025 and March 31, 2024 comprises expenditure for the development of computer software i.e. IT framework.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 5 : Financial assets

5 (a) Investments

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
NON CURRENT		
A. Investment stated at cost **In Equity Instruments**		
a. In associates (Unquoted)		
Nighthack Technology Private Limited 820 (March 31, 2024 : 820) equity shares of Rs. 100 each	100.00	100.00
Add/Less: Share in net profit/(loss) of associate	17.84	4.79
	117.84	**104.79**
Investment in AppiZap L.L.C-FZ 50 (March 31, 2024: 50) equity shares of AED 1,000 each	11.36	11.36
Add/Less: Share in net profit/(loss) of associate	(0.35)	(0.08)
	11.02	**11.29**
B. Investment stated at Fair Value through Profit & Loss **In Equity Instruments**		
a. In others (Unquoted)		
GESIA IT Association 10 (March 31, 2024 : 10) equity shares of Rs. 10 each	0.00	0.00
	0.00	0.00
AutoDAP B.V. 41,400 (March 31, 2024 : 41,400) equity shares of EUR 1 each	1,439.87	1,439.87
Add / (Less): Fair value changes	149.32	-
	1,589.19	**1,439.87**
Nextenders India Pvt Ltd 1,36,270 (March 31, 2024 : 1,36,270) equity shares of Rs. 10 each	137.51	137.51
Add / (Less): Fair value changes	245.41	401.19
Add: Share in net profit/(loss)	(10.70)	(10.70)
	372.22	528.01
Total Investments	**2,090.26**	**2,083.95**
Aggregate amount of unquoted investments	2,090.26	2,083.95
Aggregate amount of impairment in value of investments	-	-

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

5 (b) Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Unsecured, considered good	974.41	1,969.14
Total Trade Receivables	**974.41**	**1,969.14**

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) For amount dues and terms and conditions relating to related party transactions, refer note 24.

(iii) For explanation on Group's credit risk management process, refer note 29.

(iv) For trade receivables ageing schedule, refer note 33.

5 (c) Loans

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured considered good		
Loan to others	-	35.66
Total Loans	**-**	**35.66**

The above loan are unsecured, interest free , repayable on demand and the same have been given for the purpose of business.

5 (d) Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with bank		
Current accounts	204.80	412.43
Cash on hand	1.34	1.30
Total cash and cash equivalents	**206.14**	**413.72**

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

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with bank		
Current accounts	204.80	412.43
Cash on hand	1.34	1.30
Total cash and cash equivalents	**206.14**	**413.72**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

5 (e) Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposit	7.62	10.89
Bank deposits with original maturity of more than 12 months (including accrued interest)	17.55	1.40
	25.17	12.28
Current		
Security deposits	27.73	-
Accrued revenue	381.74	355.53
Bank deposits maturing within 12 months from reporting date	0.46	0.44
Interest accrued but not due on bank deposits	0.00	0.05
Interest accrued but not due on other deposits	0.22	0.14
Advance given for acquisition of shares	1,139.77	-
	1,549.92	**356.16**
Total other financial assets	**1,575.09**	**368.44**

Fixed deposits of Rs. 18.01 Lakhs (March 31, 2024 : 1.75 Lakhs) are under lien from banks.

Financial assets by category

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortized Cost
March 31, 2025				
Investments	128.86	-	1,961.41	-
Trade receivables	-	-	-	974.41
Loans	-	-	-	-
Cash & cash equivalents	-	-	-	206.14
Other financial assets	-	-	-	1,575.09
Total financial assets	**128.86**	**-**	**1,961.41**	**2,755.64**

(₹ in Lakhs)

Particulars	Cost	FVOCI	FVTPL	Amortized Cost
March 31, 2024				
Investments	116.07	-	1,967.87	-
Trade receivables	-	-	-	1,969.14
Loans	-		-	35.66
Cash & cash equivalents	-	-	-	413.72
Other financial assets	-	-	-	368.44
Total financial assets	**116.07**	**-**	**1,967.87**	**2,786.96**

For Financial instruments risk management objectives and policies, refer Note 29
Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment refer note 29

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 6 : Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Balance with government authorities	220.67	88.35
Advances to suppliers	116.52	83.01
Prepaid expenses	16.16	13.50
Other current asset	0.13	10.32
Total Current Assets	**353.48**	**195.19**

Note 7 : Non-current tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Tax paid in advance (net of provison)	-	13.84
Total	-	**13.84**
Tax provision (net of advance tax and TDS)	165.62	-
Total	**165.62**	-

Note 8 : Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Authorised share capital				
Equity shares of Re.1 each	15,00,00,000	1,500.00	15,00,00,000	1,500.00
Issued and subscribed share capital				
Equity shares of Re.1 each	13,36,94,330	1,336.94	13,24,65,930	1,324.66
Subscribed and fully paid up				
Equity shares of Re.1 each	13,36,94,330	1,336.94	13,24,65,930	1,324.66
Total	**13,36,94,330**	**1,336.94**	**13,24,65,930**	**1,324.66**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

8.1. Terms/Rights attached to the equity shares

The Parent has equity shares having a par value of Re.1 per share. All equity shares rank equally with regard to dividend and share in the Parent's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Parent, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 26 regarding employee share based payments

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	13,24,65,930	1,324.66	4,39,02,060	439.02
Addition/ redemption :		-		-
Shares allotted pursuant to exercise of Employee Stock Option Plan	12,28,400	12.28	2,53,250	2.53
Shares issued as bonus to the existing shareholders	-	-	8,83,10,620	883.11
Outstanding at the end of the year	**13,36,94,330**	**1,336.94**	**13,24,65,930**	**1,324.66**

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, 2025		As at March 31, 2024	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Shivben Popatbhai Sutariya	1,35,00,000	10.10%	1,35,00,000	10.19%
Infibeam Avenues Limited	1,23,92,460	9.27%	1,23,92,460	9.36%
Yogesh Sutariya	1,35,20,880	10.11%	1,35,20,880	10.21%
Avenues Infinite Private Limited	1,04,36,472	7.81%	1,04,36,472	7.88%
Somani Multibiz Limited	-	0.00%	1,09,00,275	8.23%
Pirimid Technologies Private Limited	1,33,70,460	10.00%	1,33,70,460	10.09%

Note: As per records of the Parent, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

8.4 Number of shares held by Promoters at the end of the year

Name of the promoter	As at March 31, 2025		% Change during the year
	No. of shares	% of shareholding	
Yogeshkumar Popatbhai Sutariya	1,35,20,880	10.11%	-0.09%
Shivben Popatlal Sutariya	1,35,00,000	10.10%	-0.09%
Hiten Ashwin Barchha	26,96,730	2.02%	-0.02%
Avni Hiten Barchha	5,010	0.00%	0.00%
Diyalbhai Italiya #	660	0.00%	0.00%

Name of the promoter	As at March 31, 2024		% Change during the year
	No. of shares	% of shareholding	
Yogeshkumar Popatbhai Sutariya	1,35,20,880	10.21%	-0.06%
Shivben Popatlal Sutariya	1,35,00,000	10.19%	-0.06%
Hiten Ashwin Barchha	26,96,730	2.04%	-0.01%
Avni Hiten Barchha	5,010	0.00%	0.00%
Diyalbhai Italiya #	660	0.00%	0.00%

Promoter Group

8.5 Shares reserved for issue under options

For information relating to DRC Systems India Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period please refer to note 26

8.6 Aggregate number of equity shares issued as bonus shares during five years prior to March 31, 2025.

Year	Number of shares
2023-24	8,83,10,620
2019-20	90,00,000

FY 2023-24: 88,310,620 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising securities premium.

FY 2019-20: 90,00,000 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising retained earnings.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

8.7. Aggregate number of equity shares issued for a consideration other than cash during five years prior to March 31, 2025.

Year	Number of shares
2023-24 ^	8,83,10,620
2020-21 *	1,61,53,560
2019-20 #	90,00,000

FY 2023-24: ^ 88,310,620 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising securities premium.

FY 2020-21: * 16,153,560 equity shares of Re. 1 each have been alloted as fully paid up vide Scheme of Arrangement.

FY 2019-20: # 90,00,000 equity shares of Re. 1 each have been alloted as fully paid up bonus shares by capitalising retained earnings.

Note 9 : Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
General reserve		
Opening balance	3.04	1.96
Add: Addition on account of lapse of employee stock options	13.86	1.07
Balance at the end of the year	**16.90**	**3.04**
Capital reserve		
Opening balance	209.61	209.61
Balance at the end of the year	**209.61**	**209.61**
Securities premium		
Opening balance	1,197.51	2,013.16
Add: on exercising of employee stock options	163.47	67.46
Less: on Issue of Bonus shares	-	(883.11)
Balance at the end of the year	**1,360.98**	**1,197.51**
Employees stock options outstanding (refer Note 26)		
Opening balance	148.86	50.24
Add : Employee compensation expense for the year	114.43	167.14
Less: Transfer to securities premium on exercise of options	(163.47)	(67.46)
Less: Reversal due to lapse of options	(13.86)	(1.07)
Balance at the end of the year	**85.96**	**148.86**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Foreign currency monetary item translation reserve		
Opening balance	28.92	7.24
Add: adjustment during the year	54.19	21.67
Balance at the end of the year	**83.10**	**28.92**
Retained earnings		
Opening balance	1,870.44	706.27
Add: profit / (loss) for the year	1,507.49	1,165.40
Add / (Less): Re-measurement gains / (losses) on defined benefit plans	(12.28)	(1.24)
Balance at the end of the year	**3,365.65**	**1,870.44**
Total Other equity	**5,122.21**	**3,458.37**

Employees stock options outstanding

The share based option outstanding account is used to recognize the grant date fair value of options issued to employees under Group's employee stock option schemes.

Retained earnings:

Retained earnings comprises of prior and current year's undistributed earnings after tax.

Securities premium

Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Group may issue fully paid-up bonus shares to its Members out of the Securities Premium and the Group can use this reserve for buy-back of shares.

General reserve

General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss as also on account of lapse of stock options. The Group can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 10 : Financial liabilities

10 (a) Trade payable

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	25.94	3.24
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	182.81	10.12
Total	**208.75**	**13.36**

I. Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

II. For explanation on Group's liability risk management process, refer note 29

III. For trade payables ageing schedule, refer note 33

10 (b) Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non current		
Lease liability (refer note:28)	37.70	60.59
Total non current lease liabilities	**37.70**	**60.59**
Current		
Lease liability (refer note:28)	13.27	14.48
Total current lease liabilities	**13.27**	**14.48**
Employee benefits payable	123.04	116.78
Creditor for expenses	7.08	6.08
Other financial liabilities	4.60	13.05
Creditor for capital goods	-	1,773.40
Total other current financial liabilities	134.71	1,909.31
Total	**185.68**	**1,984.38**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Financial liabilities by category

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortized Cost
March 31, 2025			
Trade payable	-	-	208.75
Lease liabilities	-	-	50.97
Other financial liabilities	-	-	134.71
Total Financial liabilities	**-**	**-**	**394.43**

(₹ in Lakhs)

Particulars	FVTPL	FVOCI	Amortized Cost
March 31, 2024			
Trade payable	-	-	13.36
Lease liabilities	-	-	75.07
Other financial liabilities	-	-	1,909.31
Total Financial liabilities	**-**	**-**	**1,997.75**

For financial instruments risk management objectives and policies, refer Note 29

Fair value disclosures for financial assets and liabilities and fair value hierarchy disclosures for investment, refer note 29

Note 11 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	91.88	64.13
Total Non-Current Provisions	**91.88**	**64.13**
Current		
Provision for employee benefits (refer Note 23)		
Provision for gratuity	26.82	24.35
Total Current Provisions	**26.82**	**24.35**
Total	**118.69**	**88.48**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 12 : Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory liabilities- Others	106.26	56.30
Advance from customers	1.36	12.69
Excess billing over revenue	2,237.41	638.68
Provision for expenses	450.05	216.91
Total	**2,795.08**	**924.59**

Note 13 : Revenue from operations

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Sale of services	6,537.71	4,768.30
Total	**6,537.71**	**4,768.30**

Refer note 32 ''Disclosure pursuant to Ind AS 115 ''Revenue from contract with customers''

Note 14 : Other income

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Net foreign exchange gain	28.74	5.60
Interest Income - Bank Deposits	0.48	0.26
Interest Income - Others	1.50	4.04
Miscellaneous income	0.96	0.05
No longer payable	1.67	-
Gain on fair value of investment	-	1.02
Income on Derecognition of Car Lease Assets	1.04	-
Total	**34.39**	**10.97**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 15 : Employee benefits expense

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Salaries, wages and bonus ^	1,827.40	1,620.47
Contribution to provident and other funds (refer note 23)	35.22	38.02
Share based payments to employees (refer note 26)*	114.43	167.14
Staff welfare expenses	11.64	4.17
Total	**1,988.69**	**1,829.81**
^Salaries,wages and bonus (net of capitalisation)		
Salary and wages	1,827.40	1,620.47
Less: Cost capitalized	-	-
Salaries,wages and bonus cost for the year	**1,827.40**	**1,620.47**
* Employee stock option outstanding expenses		
Share based payment expense	114.43	167.14
Less : Cost capitalized	-	-
ESOP cost for the year	**114.43**	**167.14**

Refer note 26 for Employee stock option scheme expenses

Note 16 : Finance costs

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Interest expense - on statutory dues	0.01	0.05
Interest expense on right of use assets (refer note 28)	4.77	5.95
Total	**4.78**	**6.00**

Note 17 : Depreciation and amortization expenses

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Depreciation on tangible assets (refer note 3)	21.83	15.85
Amortization on intangible assets (refer note 4)	394.07	224.84
Depreciation on right of use assets (refer note 3)	13.66	14.07
Total	**429.56**	**254.76**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 18 : Other expenses

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Bank charges	15.56	5.32
Software expenses	27.35	5.89
Insurance expenses	0.43	0.47
Communication expenses	12.82	5.50
Commission expenses	0.25	3.09
Legal and consultancy expenses	47.08	43.10
Office expenses	22.66	9.05
Payments to auditors	4.19	6.26
Rent*	96.91	114.78
Rate and taxes	1.67	11.13
Sales Promotion Expenses	7.06	18.96
Advertisement expenses	6.25	1.90
Bad debts	195.32	-
Director sitting fees	5.45	4.70
Balances Written off	3.14	0.57
Electricity expenses	7.21	7.17
Printing & stationery expenses	0.34	0.26
Travelling expenses	15.23	11.90
Repair & maintenance expenses	1.58	2.59
Security expenses	2.01	1.92
Subscription expenses	19.74	20.82
Net foreign exchange loss	0.47	0.36
Loss on fair value of investment	6.46	-
CSR Expenses	4.00	1.51
Total	**503.21**	**277.26**

*Refer note 24 "Related party transactions"

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 19 : Contingent liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Contingent liabilities not provided for		
a. Claims against Group not acknowledged as debts	-	-
b. Guarantees given by bank on behalf of the Group	-	-

Note 20 : Capital commitment and other commitments

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	3,419.00	625.54

Note 21 : Foreign Exchange derivatives and exposures not hedged

A. Foreign exchange derivatives: The Group does not have any foreign exchange derivatives

B. Exposure not hedged:

Nature of exposure	Currency	As at March 31, 2025		As at March 31, 2024	
		Foreign currency	Local currency (₹ in Lakhs)	Foreign currency	Local currency (₹ in Lakhs)
Financial Assets	USD	9,66,141	825.81	13,98,399	1,166.18
	AUD	62,400	33.58	-	-
	EUR	7,655	7.05	380	0.34
	SGD	200	0.13	200	0.12
	MUF	55	0.00	55	0.00

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 22 : Income tax

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Tax paid in advance (net of provison)	-	13.84
Total	**-**	**13.84**
Tax provision (net of advance tax and TDS)	165.62	-
Total	**165.62**	**-**

The major component of income tax expense for the year ended March 31, 2025 and year ended March 31, 2024 are :

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Statement of Profit and Loss		
Current tax		
Current income tax	227.45	70.64
(Excess)/short provision related to earlier years	(3.54)	(3.64)
Deferred tax		
Deferred tax expense/ (credit)	(44.85)	4.09
Income tax expense reported in the statement of profit and loss	179.06	71.09

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2025 and year ended March 31, 2024:

A) Current tax

(₹ in Lakhs)

Particulars	2024 - 25	2023 - 24
Accounting profit before tax from operations	**1,673.77**	**1,231.78**
Enacted tax rate	25.17%	25.17%
Computed expected tax expense	421.25	310.02
Adjustment		
Effect of non-deductable expenses	1.40	(6.21)
(Excess)/short provision related to earlier years	(3.54)	(3.64)
Tax exempt income of foreign subsidiaries	(195.20)	(233.17)
	223.91	**67.00**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (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, 2025 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)	March 31, 2025 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)
Provision for employee benefits	29.87	22.27	(7.60)	(3.71)
Excess of depreciation/ amortisation on fixed assets in accounts over depreciation/ amortisation provided under income-tax law.	8.88	6.49	(2.39)	7.54
Income not subject to tax related to Ind AS adjustment	(56.45)	(91.30)	(34.86)	0.25
Deferred tax expense / (income)			**(44.85)**	**4.09**
Net deferred tax assets/(liabilities)	**(17.69)**	**(62.55)**		
Reflected in the balance sheet as follows				
Deferred tax assets	-	-		
Deferred tax liabilities	(17.69)	(62.55)		
Deferred tax assets (net)	**(17.69)**	**(62.55)**		

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Reconciliation of deferred tax assets / (liabilities), net		
Opening balance as of April 1	(62.55)	(58.46)
Tax income/(expense) during the year recognized in profit or loss	44.85	(4.09)
Closing balance as at March 31	**(17.69)**	**(62.55)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 23 : Disclosure pursuant to Employee benefits

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan.The Group has no obligations other than to make the specified contribution. The contribution is charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident fund for the year is as follows:

Amount of Rs. 35.22 Lakhs(March 31, 2024: Rs.38.02 Lakhs) is recognized as expenses and included in Note No. 15 "Employee benefit expense"

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provident Fund	34.67	35.94
ESIC	0.55	2.09
Total	**35.22**	**38.02**

The Group has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Group operates gratuity plan (unfunded) wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2025 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	April 1, 2024	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2025
		Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	88.48	-	13.49	5.94	19.42	(1.50)	-	-	4.07	8.21	12.28	-	118.69
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	88.48	-	13.49	5.94	19.42	(1.50)	-	-	4.07	8.21	12.28	-	118.69
Total benefit liability	**88.48**	**-**	**13.49**	**5.94**	**19.42**	**(1.50)**	**-**	**-**	**4.07**	**8.21**	**12.28**	**-**	**118.69**

March 31, 2024 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

	April 1, 2023	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2024
		Transfer in/(out) obligation	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	73.76	-	10.76	5.05	15.81	(2.32)	-	-	1.02	0.22	1.24	-	88.48
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	73.76	-	10.76	5.05	15.81	(2.32)	-	-	1.02	0.22	1.24	-	88.48
Total benefit liability	**73.76**	**-**	**10.76**	**5.05**	**15.81**	**(2.32)**	**-**	**-**	**1.02**	**0.22**	**1.24**	**-**	**88.48**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	6.65% p.a.	7.20% p.a.
Future salary increase	8.00% p.a.	8.00% p.a.
Attrition rate	40% at younger ages reducing to 5% at older ages	40% at younger ages reducing to 5% at older ages
Mortality rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Retirement age	58 years	58 years

A quantitative sensitivity analysis for significant assumptions is as shown below:

		increase / decrease in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**Year ended March 31, 2025** (₹ in Lakhs)	**Year ended March 31, 2024** (₹ in Lakhs)
Gratuity			
Discount rate	0.5% increase	114.98	85.99
	0.5% decrease	122.68	91.16
Future Salary increase	0.5% increase	122.61	91.12
	0.5% decrease	115.00	86.00
Withdrawal rates	10% increase	116.60	87.17
	10% decrease	120.99	89.93

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2025 (₹ in Lakhs)	Year ended March 31, 2024 (₹ in Lakhs)
Gratuity		
Within one year	26.82	24.35
After one year but not more than five years	48.71	35.94
Beyond 5 years	28.84	22.94

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2025 (Years)	Year ended March 31, 2024 (Years)
Gratuity	6.99	6.78

Risk exposure

A. Actuarial risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary Growth experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates:

If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

C. Liquidity risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 24 : Related party disclosures.

As per the Indian Accounting Standard on "Related party disclosures" (IND AS 24), the related parties of the Group are as follows :

Name of related parties and nature of relationship :

Sr.No	Relationship	Name of company/person
1	**Key Management Personnel**	
	Managing Director	Hiten Barchha
	Non-Executive Chairman	Keyur Shah
	Non-executive Directors	Sanket Khemuka Jigar Shah Dipti Chitale Roopkishan Dave (Upto November 29,2024)
	Chief financial officer (CFO) and Executive Director	Janmaya Pandya
	Company Secretary (CS)	Jainam Shah
2	**Associate companies**	Nighthack Technology Private Limited (with effect from October 27, 2023)
3	**Entities having common director**	Infibeam Digital Entertainment Private Limited (Upto November 29,2024)
4	**Other Related Parties**	AppiZap L.L.C-FZ (with effect from July 24, 2023) - (Associate of Wholly owned subsidiary) Infibeam Avenues Limited - (holding >10% in FY 2023-24) Avenues Infinite Private Limited - (holding >10% in FY 2023-24)

Related party transactions

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Associate companies	Entities having common director	Other Related Parties	Total
Investment in equity shares						
Nighthack Technology Private Limited	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	100.00	-	-	**100.00**
Salaries paid						
Hiten Barchha	March 31, 2025	81.24	-	-	-	**81.24**
	March 31, 2024	65.00	-	-	-	**65.00**
Janmaya Pandya	March 31, 2025	29.27	-	-	-	**29.27**
	March 31, 2024	21.22	-	-	-	**21.22**
Jainam Shah	March 31, 2025	17.08	-	-	-	**17.08**
	March 31, 2024	13.57	-	-	-	**13.57**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Associate companies	Entities having common director	Other Related Parties	Total
Directors sitting fees expense						
Director sitting fees to non-executive and independent directors	March 31, 2025	5.45	-	-	-	**5.45**
	March 31, 2024	4.70	-	-	-	**4.70**
Services taken						
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	1,426.70	**1,426.70**
Nighthack Technology Private Limited	March 31, 2025	-	242.58	-	-	**242.58**
	March 31, 2024	-	94.52	-	-	**94.52**
Avenues Infinite Private Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	6.00	**6.00**
Services given						
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	141.38	**141.38**
AppiZap L.L.C-FZ	March 31, 2025	-	-	-	1,684.09	**1,684.09**
	March 31, 2024	-	-	-	1,658.40	**1,658.40**
Reimbursement of expenses From - other expenses						
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	2.11	**2.11**
Infibeam Digital Entertainment Private Limited	March 31, 2025	-	-	0.88	-	**0.88**
	March 31, 2024	-	-	1.43	-	**1.43**
Business advance taken						
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	805.79	**805.79**
Repayment of business advance taken						
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	805.79	**805.79**
Rent expenses						
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	70.84	**70.84**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

(₹ in Lakhs)

Particulars	Year ending	Key Management Personnel	Associate companies	Entities having common director	Other Related Parties	Total
Advance given for acquisition of shares						
AppiZap L.L.C-FZ	March 31, 2025	-	-	-	1,139.77	**1,139.77**
	March 31, 2024	-	-	-	-	**-**
Closing balance						
Trade payable						
Nighthack Technology Private Limited	March 31, 2025	-	21.96	-	-	**21.96**
	March 31, 2024	-	1.95	-	-	**1.95**
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	2.20	**2.20**
Avenues Infinite Private Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	1.96	**1.96**
Provision for expenses						
Infibeam Digital Entertainment Private Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	0.08	-	**0.08**
Nighthack Technology Private Limited	March 31, 2025	-	22.33	-	-	**22.33**
	March 31, 2024	-	19.51	-	-	**19.51**
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	170.24	**170.24**
Trade Receivables						
AppiZap L.L.C-FZ	March 31, 2025	-	-	-	759.02	**759.02**
	March 31, 2024	-	-	-	740.64	**740.64**
Accrued Revenue						
Infibeam Avenues Limited	March 31, 2025	-	-	-	-	**-**
	March 31, 2024	-	-	-	8.05	**8.05**
Advance given for acquisition of shares						
AppiZap L.L.C-FZ	March 31, 2025	-	-	-	1,139.77	**1,139.77**
	March 31, 2024	-	-	-	-	**-**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Terms and conditions of transactions with related parties

Transactions entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2025 (March 31, 2024 : Rs.Nil)

Note 25 : Earning per share

Particulars	2024-25	2023-24
Earning per share (basic and diluted)		
Profit attributable to ordinary equity holders (₹ in Lakhs)	1,507.49	1165.40
Total no. of equity shares at the end of the year	**13,36,94,330**	**13,24,65,930**
Weighted average number of equity shares		
For basic EPS	13,26,12,461	13,19,59,430
For diluted EPS	13,31,87,998	13,38,70,077
Nominal value of equity shares	1.00	1.00
Basic earning per share	1.14	0.88
Diluted earning per share	1.13	0.87
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	13,26,12,461	13,19,59,430
Effect of dilution: Employee stock options	5,75,537	19,10,647
Weighted average number of equity shares adjusted for the effect of dilution	13,31,87,998	13,38,70,077

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 26: Share based payments

Employee stock option (ESOP) scheme (2021-22):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on August 27, 2021 read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on September 28, 2021. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled in demat mode. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Re 1 which is 93% to 98% below the market price at the date of grant.

Scheme		ESOP Scheme 2021-22	
Date of grant	April 01, 2024	April 01, 2023	October 01, 2023
Number of options granted	34,300	22,800	5,51,500
Exercise price per option	1.00	1.00	1.00
Vesting requirements	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.	Vesting period as defined by the board in the letters issuing the options to employees.
Exercise period	1 year - 5 years	1 year - 5 years	1 year - 5 years
Method of settlement	Demat mode	Demat mode	Demat mode

The following table sets forth a summary of the activity of options:

Particulars	2024-25 (ESOP Scheme 2021-22)	2023-24 (ESOP Scheme 2021-22)
Options		
Outstanding at the beginning of the year	19,59,150	3,40,000
Granted during the year	34,300	5,74,300
Exercised during the year	(12,28,400)	(2,53,250)
Lapse during the year	(1,74,750)	(8,000)
Outstanding at the end of the year-Pre-Bonus	-	6,53,050
Outstanding at the end of the year-Post-Bonus *	5,90,300	19,59,150
Exercisable at the end of the year	**5,90,300**	**19,59,150**

* In view of Bonus shares issued by the Company in the ratio of 2:1, the outstanding stock options as on the record date of Bonus are being entitled to bonus and hence the post bonus effect is considered for outstanding stock options as at March 31, 2024

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognized in profit or loss as part of employee benefit expense were as follows :

(₹ in Lakhs)

Particulars	2024-25	2023-24
Options		
Employee stock option plan	114.43	167.14
Total employee share based payment expense	**114.43**	**167.14**

The fair value of the share based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Particulars	2024-25	2023-24	
Option grant date	**April 01, 2024**	**April 01, 2023**	**October 01, 2023**
Weighted average share price**	19.39	15.49	13.66
Exercise price	1	1	1
Expected volatility	53.16%	77.31%	77.31%
Expected life (years)	1.50	1.50	1.50
Dividend yield	NIL	NIL	NIL
Risk-free interest rate (%)	6.98%	6.98%	7.08%
Fair market value share **	19.30	15.43	13.60
Weighted average remaining contractual life (Years)	2	2	2

**Post Bonus Price

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 27 : Segment reporting

Based on the "management approach" as defined in Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Group operates in one business segment, which is primarily related to IT and IT enabled Services including web and mobile app development, maintenance, testing and related ancillary services,

A. Geographical Information

Segment revenue is analysed based on the location of customers regardless of where the services are provided from. The following provides an analysis of the Groups' sales by Geographical Markets. For management purpose, the Group operates in three principal geographical areas of the world, in India, in UAE and other countries. As the Group does not operate in more than one business segment, disclosures for primary segment as required under Ind AS 108 have not been given.

B. Unallocated items:

Domestic geographical segment includes certain assets which are common to both the geographical segment (i.e. Domestic and Export). Non-current assets exclude deferred tax assets and tax assets.

C. Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(₹ in Lakhs)

Particulars	Year ending	India	UAE	Others	Total
Revenue from operations	31-03-2025	1,120.93	3,302.02	2,114.77	**6,537.71**
	31-03-2024	1,333.17	2,959.12	476.01	**4,768.30**
Carrying amount of segment non-current assets*	31-03-2025	1,116.76	4,160.77	1,589.19	**6,866.72**
	31-03-2024	1,461.85	1,970.98	1,439.87	**4,872.69**

* The carrying amount of Non Current Assets which do not include Deferred Tax Asset, Income Tax Assets. Financial Assets analysed the geographical area in which the Assets are located.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 28 : Lease

A. Operating lease - current

The Group has taken commercial premises under operating leases. The leases period is of less than 1 year. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognized as an expense in the Statement of Profit and Loss during the year is Rs. 96.91 Lakhs (previous year Rs. 114.77 Lakhs)

B. Operating lease - non-current

The Group's lease asset primarily consist of leases of vehicles having the various lease terms. Accordingly, the Group has adopted IND AS 116 "Leases" to all lease contracts.

Following is carrying value of right of use assets recognized and the movements thereof during the year ended March 31, 2025 and March 31,2024 :

Particulars	Right of use assets	
	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Opening Balance	70.07	57.42
Additions during the year	-	26.72
Deletion during the year	(10.44)	-
Depreciation of Right of use assets (refer note 3)	13.66	14.07
Closing balance	**45.97**	**70.07**

The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2025 and March 31, 2024 :

Particulars	Lease liability	
	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Opening Balance	75.07	60.47
Additions during the year	-	26.72
Finance cost accrued during the year (refer note 16)	4.77	5.95
Deletions	(10.44)	-
Payment of lease liabilities	(17.39)	(18.07)
Income on Derecognition of Car Lease Assets	(1.04)	-
Closing balance	**50.97**	**75.07**

Current maturities of lease liability (refer note 10)	13.27	14.48
Non-current lease liability (refer note 10)	37.70	60.59

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

The following are the amounts recognized in statement of profit & loss :

Particulars	As at March 31, 2025 (₹ in Lakhs)	As at March 31, 2024 (₹ in Lakhs)
Depreciation of right of use assets (refer note 3)	13.66	14.07
Interest on lease obligation (refer note 16)	4.77	5.95
Total	**18.43**	**20.02**

The Group had total cash out flows for leases of Rs. 17.39 Lakhs in the current year (year ended March 31, 2024 Rs. 18.06 Lakhs). The entire amount is in the nature of fixed lease payments. The Group had non-cash addition to right of use assets of Rs NIL in the current year (year ended March 31, 2024 Rs. 26.72 Lakhs) and lease liabilities of Rs. NIL in the current year (year ended March 31, 2024 Rs. 26.72 Lakhs) on account of acquisition of right of use assets.

The weighted average incremental borrowing rate applied to lease liabilities is 8%

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 29 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

As at March 31, 2025

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	Amortized Cost	Fair value through		Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
		Other comprehensive income	Profit and loss					
Financial assets								
Non current investments	128.86	-	1,961.41	2,090.26	-	1,961.41	128.86	2,090.26
Other non-current financial assets	25.17	-	-	25.17	-	-	25.17	25.17
	154.02	**-**	**1,961.41**	**2,115.43**	**-**	**1,961.41**	**154.02**	**2,115.43**
Financial liabilities								
Other financial liabilities - non current	37.70	-	-	37.70	-	-	37.70	37.70
Total	**37.70**	**-**	**-**	**37.70**	**-**	**-**	**37.70**	**37.70**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

As at March 31, 2024

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	Amortized Cost	Fair value through: Other comprehensive income	Fair value through: Profit and loss	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non current investments	116.07	-	1,967.87	2,083.95	-	1,967.87	116.07	2,083.95
Other non-current financial assets	12.28	-	-	12.28	-	-	12.28	12.28
	128.35	**-**	**1,967.87**	**2,096.23**	**-**	**1,967.87**	**128.36**	**2,096.23**
Financial liabilities								
Other financial liabilities - non current	60.59	-	-	60.59	-	-	60.59	60.59
Total	**60.59**	**-**	**-**	**60.59**	**-**	**-**	**60.59**	**60.59**

The management assessed that cash and cash equivalents, other bank balances, loans, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Level 2 - Valuation technique and significant observable inputs for assets and liabilities

The fair values of the unquoted non current investment have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of these operations include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

Financial instruments and cash deposits

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with group's policy. Investment of surplus funds are primarily made in Liquid/Short Term Plan of Mutual Funds and in Bank Deposits which carry a high external rating.

Trade receivables

Trade receivables of the group are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which group grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

Particulars	Carrying amount as at	
	March 31, 2025 (₹ in Lakhs)	March 31, 2024 (₹ in Lakhs)
Domestic	153.81	1,025.92
Other regions	820.60	943.22
Total	**974.41**	**1,969.14**

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to the consolidated financial statements for the year ended March 31, 2025 (continued)

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(₹ in Lakhs)

Particulars	Carrying amount as at					
	March 31, 2025			March 31, 2024		
	Gross	Less: Provision	Net	Gross	Less: Provision	Net
Less than six months	971.16	-	971.16	1,767.28	-	1,767.28
More than six months	3.25	-	3.25	201.86	-	201.86
Total	**974.41**	**-**	**974.41**	**1,969.14**	**-**	**1,969.14**

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, 2025 and March 31, 2024.

ii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	Less than 1 Year	More than 1 Year
Year ended March 31, 2025		
Trade payables	208.24	0.51
Other financial liabilities	147.98	37.70
	356.22	**38.21**
Year ended March 31, 2024		
Trade payables	13.36	-
Other financial liabilities	1,923.80	60.59
	1,937.16	**60.59**

iii. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Group does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AUD and EUR rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

	Change in USD rate	Effect on profit before tax
March 31, 2025	**+5%**	**41.29**
	-5%	**(41.29)**
March 31, 2024	+5%	58.31
	-5%	(58.31)

(₹ in Lakhs)

	Change in AUD rate	Effect on profit before tax
March 31, 2025	**+5%**	**1.68**
	-5%	**(1.68)**
March 31, 2024	+5%	-
	-5%	-

(₹ in Lakhs)

	Change in EUR rate	Effect on profit before tax
March 31, 2025	**+5%**	**0.35**
	-5%	**(0.35)**
March 31, 2024	+5%	0.02
	-5%	(0.02)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed plus variable rate borrowings.

Equity price risk management

The Group's exposure to equity price risk arises from investment held by the Group and classified as FVTPL. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 30 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest-bearing loans and borrowings	-	-
Less: cash and cash equivalent (including other bank balance) (Note 5)	206.14	413.72
Net debt	**(206.14)**	**(413.72)**
Equity share capital (Note 8)	1,336.94	1,324.66
Other equity (Note 9)	5,122.21	3,458.37
Shareholder's Equity	**6,459.15**	**4,783.03**
Gearing ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

Note 31: Transfer Pricing

The Group's transactions with associated enterprises are at arm's length. Management believes that Group's domestic transactions with associated enterprises post March 31, 2025 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for the taxation at the period end.

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

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, 2025 and March 31, 2024 by offerings.

i) Revenue by offerings

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
IT and IT enabled Services	6,537.71	4,768.30
Total	**6,537.71**	**4,768.30**

IT and IT enabled Services

IT comprises of web & mobile app development, maintenance, testing and related ancillary services.

ii) Refer note 27 for disaggregation of revenue by geographical segments

iii) The Group believes that this disaggregation best depicts how the nature, amount, timing of its revenues and cash flows are affected by industry, market and other economic factors.

b. Transaction price allocated to remaining performance obligation

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2025 is Rs. 2,237.41 Lakhs (March 31, 2024: Rs. 638.69 Lakhs)which is expected to be recognized as revenue within the next one year. Remaining performance obligation estimates are subject to change and are affected by several factors, including changes in the scope of contracts, periodic revalidations, and adjustments for currency.

c. Changes in contract assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	355.53	58.61
Revenue recognized during the year	381.74	355.53
Invoices raised during the year	(355.53)	(58.61)
Balance at the end of the year	**381.74**	**355.53**

d. Changes in unearned and deferred revenue are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	638.68	5.09
Revenue recognized that was included in the excess billing over revenue at the beginning of the year	(638.52)	(4.85)
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	2,237.24	638.44
Balance at the end of the year	**2,237.41**	**638.68**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 33: Ageing schedule

a. Trade receivables ageing schedule

As at March 31, 2025

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	971.16	3.25	-	-	-	**974.41**

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
Undisputed trade receivables, considered good	1,767.28	-	201.86	-	-	**1,969.14**

b. Trade Payables Ageing Schedule

As at March 31, 2025

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	25.94	-	-	-	-	**25.94**
Others	182.30	-	0.51	-	-	**182.81**
Total	**208.24**	**-**	**0.51**	**-**	**-**	**208.75**

As at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for the following periods from date of the invoice					Total
	< 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More than 3 Years	
MSME	3.24	-	-	-	-	**3.24**
Others	10.12	-	-	-	-	**10.12**
Total	**13.36**	**-**	**-**	**-**	**-**	**13.36**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 34 : Additional regulatory information

1. There are no proceedings that have been initiated or pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
2. The Group has not been declared wilful defaulter by any bank or financial institution or other lender.
3. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.
4. Utilisation of Borrowed funds and share premium;

   The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries"); or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the group shall

   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

   ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. Undisclosed Income : The Group do not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.
6. Details of Crypto Currency or Virtual Currency : The Group has neither traded nor invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2025. Further, the Group has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.
7. **Title deeds of Immovable Property not held in name of the Group**

   The group does not hold any immovable property not held in the name of the group.
8. Details of Relationship with Struck off Companies

   As at March 31, 2025:

   The group does not have closing balances with struck off companies as at March 31,2025

   As at March 31, 2024:

   The group does not have closing balances with struck off companies as at March 31,2024

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 35 : Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

(₹ in Lakhs)

Name of the entity in the group	Net assets i.e. total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
DRC Systems India Limited	49.26%	3,181.53	(32.89%)	(495.77)	100.00%	(12.28)	(33.98%)	(508.05)
Subsidiary								
Foreign								
DRC SYSTEMS EMEA L.L.C-FZ (with effect from July 06, 2022)	46.95%	3,032.41	117.79%	1,775.65	0.00%	-	118.76%	1,775.65
DRC Systems USA LLC (with effect from July 17, 2023)	3.53%	227.71	14.25%	214.83	0.00%	-	14.37%	214.83
Associates								
Nighthack Technology Private Limited (with effect from October 27, 2023)	0.28%	17.84	0.87%	13.05	0.00%	-	0.87%	13.05
AppiZap L.L.C-FZ (with effect from July 24, 2023)	(0.01%)	(0.35)	(0.02%)	(0.27)	0.00%	-	(0.02%)	(0.27)
Total	**100.00%**	**6,459.15**	**100.00%**	**1,507.49**	**100.00%**	**(12.28)**	**100.00%**	**1,495.21**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

Note 36 : Investment in associates

The following table depicts the summarised financial information of the Group's investment in associates.

(₹ in Lakhs)

Particulars	Nighthack Technology Private Limited (with effect from October 27, 2023)		AppiZap L.L.C-FZ (with effect from July 24, 2023)	
Summarised Balance Sheet	**March 31, 2025**	**March 31, 2024**	**March 31, 2025**	**March 31, 2024**
Current Assets	221.73	177.55	35.47	33.93
Non-Current Assets	83.99	33.06	5,979.83	1,481.27
Current Liabilities	70.56	51.60	4,852.95	1,492.64
Non-Current Liabilities	52.36	7.57	-	-
Equity	**182.79**	**151.43**	**1,162.35**	**22.57**
Proportion of the Group's ownership	45.05%	45.05%	50.00%	50.00%
Carrying amount of investment	**117.84**	**104.79**	**11.02**	**11.29**

(₹ in Lakhs)

Particulars	Nighthack Technology Private Limited (with effect from October 27, 2023)		AppiZap L.L.C-FZ (with effect from July 24, 2023)	
Summarised statement of profit and loss	**March 31, 2025**	**October 27, 2023 to March 31, 2024**	**March 31, 2025**	**July 24, 2023 to March 31, 2024**
Revenue	413.73	126.59	-	-
Other Income	0.16	-	-	-
Purchases of stock-in-trade	-	0.89	-	-
Employee benefits expense	298.26	67.35	-	-
Depreciation	28.20	2.21	-	-
Other Expenses	45.41	45.53	0.54	0.16
Profit / (Loss) before tax for the year	**42.02**	**10.63**	**(0.54)**	**(0.16)**
Taxes	13.04	-	-	-
Profit / (Loss) after tax for the year	**28.98**	**10.63**	**(0.54)**	**(0.16)**

Notes

to the consolidated financial statements for the year ended March 31, 2025 (continued)

(₹ in Lakhs)

Particulars	Nighthack Technology Private Limited (with effect from October 27, 2023)		AppiZap L.L.C-FZ (with effect from July 24, 2023)	
Summarised statement of profit and loss	**March 31, 2025**	**October 27, 2023 to March 31, 2024**	**March 31, 2025**	**July 24, 2023 to March 31, 2024**
Other Comprehensive Income / (Loss)	-	-	-	-
Total comprehensive profit / (loss) for the year	**28.98**	**10.63**	**(0.54)**	**(0.16)**
Proportion of the Group's ownership	45.05%	45.05%	50.00%	50.00%
Group's share of profit / (loss) for the year	**13.05**	**4.79**	**(0.27)**	**(0.08)**

As per our report of even date

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

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

Chandramaulin Rajpara
Partner
Membership No. 046922
Place: Ahmedabad
Date: 28th May 2025

Hiten Barchha
Managing Director
DIN: 05251837
Place: Gandhinagar
Date: 28th May 2025

Keyur Shah
Chairman
DIN: 03111182
Place: Gandhinagar
Date: 28th May 2025

Janmaya Pandya
Chief Financial Officer
Place: Gandhinagar
Date: 28th May 2025

Jainam Shah
Company Secretary
Place: Gandhinagar
Date: 28th May 2025

DRC SYSTEMS

DRC Systems India Limited

REGISTERED OFFICE:

24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar,
Taluka & District – Gandhinagar – 382 050 Gujarat, India

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