



R Systems International Limited

NEXT-GEN DIGITAL EVOLUTION



ANNUAL
REPORT
2021



At R Systems, we are enabling organisations to bring digital transformations to market faster, do more with existing resources, create dramatically reimagined experiences, and reduce tech development costs. We are positioned to create tangible value in positive demand environment.

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Corporate Overview



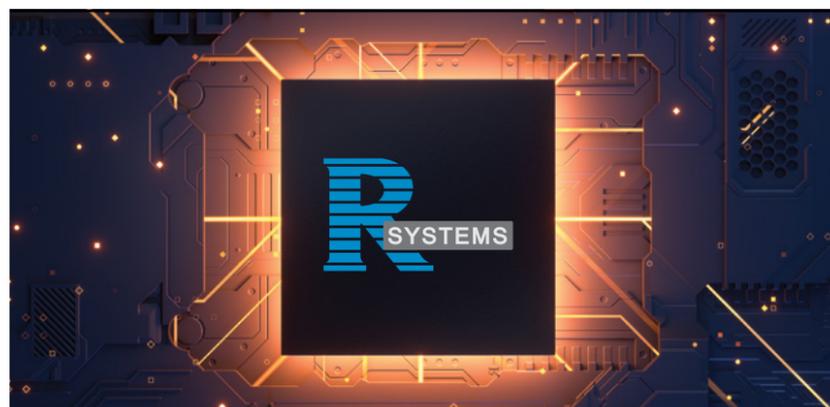
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Forward-Looking Statement

This document contains statements about expected future events, financial and operating results of R Systems International Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed or implied in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in R Systems International Limited Annual Report 2021.

NEXT-GEN DIGITAL EVOLUTION

Fast-paced Digital innovation is profoundly changing existing industries and markets at a rate never experienced before. With rapidly maturing new technologies like Artificial Intelligence, Machine Learning and Edge Computing, companies can now redesign the value propositions of existing services and solutions with renewed business models to create a competitive edge.

Trying to stay in sync with rapidly evolving technology and changing business landscapes is not easy. It often results in highly scattered IT environments. This makes it particularly difficult and expensive for companies to ensure business continuity and launch new features to meet the business demands.



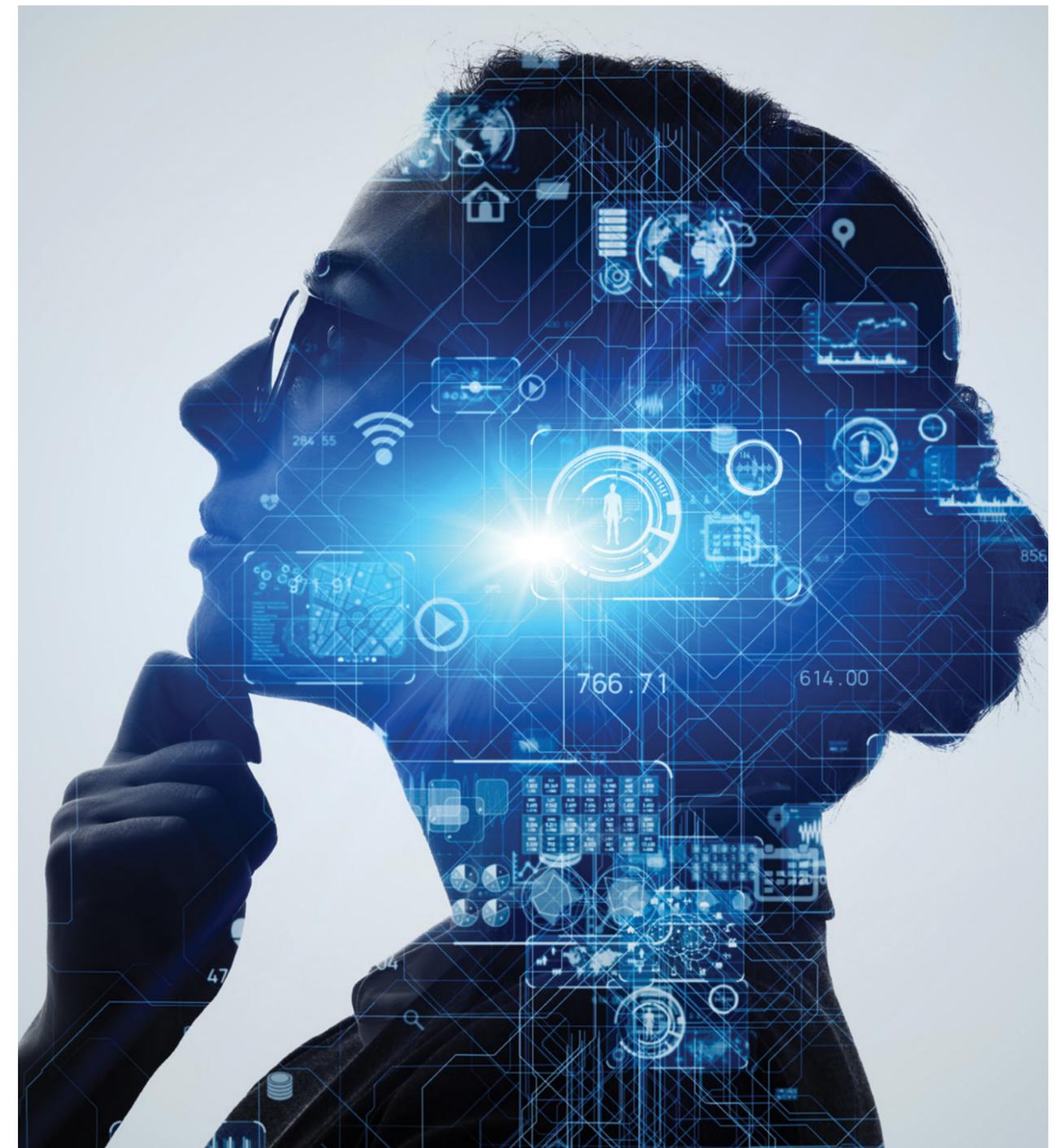
Our success in this arena is tangibly evident. During the year, we added 30+ key customers under Digital and Product Engineering BU, and our revenue from this segment grew by a record 35% YoY.

At R Systems', NextGen IT is not about Information Technology. It is all about the end consumer. It is about ISVs and enterprises using technology intelligently to provide an unmatched customer experience. Our Next-Gen Digital Transformation Service offers solutions to the key challenges that companies face today. As a leading digital services and solutions provider, we harness technologies to deliver business outcome-driven successful digital transformation.

This results in data-driven and agile business operations with much faster time-to-market, built on cost-optimised, resilient, secure and scalable operations.

Our success in this arena is tangibly evident. During the year, we added 30+ key customers under Digital and Product Engineering BU, and our revenue from this segment grew by a record 35% YoY.

We have strategically invested in our talent pool and systematically expanded our technological capabilities to meet the demands of this growing industry which we believe in having great longevity and vast potential going forward.



CREATING TANGIBLE VALUE IN AN ERA OF UNPRECEDENTED GROWTH

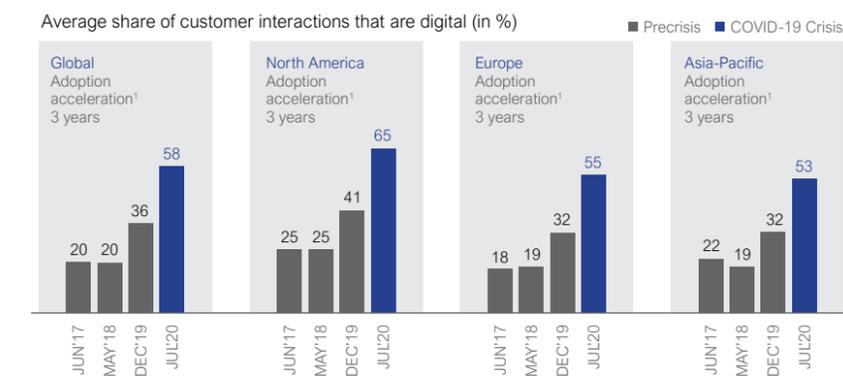
The past year has intensified the importance of digital transformation for companies across all industries. The unprecedented outbreak of the health crisis, COVID-19, has forced even the most significant global businesses to re-think their business models to remain agile and resilient in this constantly evolving world.



Studies suggest that the pandemic-led crisis has sped up the adoption of digital technologies by several years, and many of these changes are here for the long period. The rise in new digital experiences, products and services is the result of an increasing shift in consumer behaviour and their expectations from technology.

Looking towards 2022 and beyond, most companies will need to build digital businesses to stay economically viable.

The COVID-19 crisis has accelerated the digitization of customer interactions by several years.



¹ Years ahead of the average rate of adoption from 2017 to 2019

Source: McKinsey & Company

As we ride this growth trajectory, we continue to fortify our digital competencies and specialised sales and pre-sales team in the North America and Europe to help our clients thrive by tapping into the immense potential of cloud, mobility, intelligent automation, and AI/ML. Moreover, our robust sales pipeline for digital and technology services is a testament to this shift in demand. It has motivated us to partner with leading ISVs and enterprise customers to accelerate our growth momentum in the coming years.

In addition to this, we have been strategically leveraging our alliances with leading technology giants to deliver outstanding products and solutions to our customers. To extract maximum value from these partnerships, we have blended our engineering DNA with advanced technologies to spearhead impactful digital transformation for our clients.



As we ride this unprecedented upward demand trajectory, we are reaping the benefits of our investments and are proving ourselves to be a capable converter of value in this great opportunity of transformation.

MESSAGE FROM THE MANAGING DIRECTOR & CEO

Fellow Shareholders,

We have concluded another challenging yet exciting year in 2021, which started with the most challenging peak of this pandemic, trembling the foundation of the global healthcare infrastructure. Prioritising our employees' well-being and their families during these unprecedented times became a strategic priority for us at R Systems. We have implemented several strategic initiatives to help us achieve this goal. These initiatives included organizing vaccination camps in our offices to support our employees and their families to get vaccinated as per the guidelines, urgent health care support to our employees and their families and conducting several health seminars to raise awareness about COVID-19. We are fortunate that the Omicron variant has turned out to be less severe than previous variants. The efficient rollout of vaccines and strengthened global health care systems have helped gain considerable control over the situation. We now seem to be moving towards a renewed sense of normalcy.



Dr. Satinder Singh Rekhi, Managing Director and CEO



This strong performance has given us momentum to unleash a next-gen digital evolution. We have partnered with leading ISVs, enterprises and early-stage companies across industries to achieve their digital transformation goals.

This pandemic has globally transformed the dynamics of business operations. It has exposed a dependency on physical infrastructure as a core weakness in business models across verticals and emphasized opportunities to digitalise business operations through the adoption and integration of digital technologies. At R Systems, we are well equipped to understand these limitations and offer systemic and strategic services and solutions to our clients.

Every business faces different sets of challenges. These may include constraints in scaling sales operations, inefficient enterprise collaboration, or the inability to receive actionable business insights on time. This range of issues means that a successful digital transformation solution needs to handle challenges specific to a business segment, while also considering the industry in which it operates. R Systems' services portfolio brings together our technical expertise from design to platform and mobile to cloud to intelligent Automation. Our domain experts speak the language of "business" as

fluently as that of "technology". This proficiency effectively enables us to translate specific business goals into coherent technology solutions that help our customers overcome their business challenges.

Furthermore, we find that businesses usually possess vast volumes of enterprise data, the size of which grows exponentially. Generally, most of these Data Sets are not streamlined and as a consequence are not monetised to provide powerful business insights. Our AI, big data, ML, and data analytics services and solutions enable businesses to generate actionable business insights, which have a significant positive impact on their business outcomes.

We ended the year at ₹1,155.6 Cr. (US\$156.5 mn.) revenue, representing +31% growth year on year, surpassing the critical milestone of US\$150 mn. in annual revenues. We attribute this robust performance to an increased demand for our product engineering and digital offerings, a deepened relationship with existing customers, and a decent flow of sizable new deals. We are currently serving 40



Our domain experts speak the language of "business" as fluently as that of "technology". This proficiency effectively enables us to translate specific business goals into coherent technology solutions that help our customers overcome their business challenges.

customers with contracts worth more than a million dollars, including six accounts contributing more than three million dollars in revenues on a run-rate basis.

Furthermore, we improved our EBITDA margins from 13.3% in FY 2020 to 14% in FY 2021 amid the attrition challenges in the industry. We also strengthened our human capital by onboarding 900+ associates to support the strong sales funnel, especially for our digital and technology services and solutions. We also have incentivised key talent sets to offset attrition challenges in the industry to pursue our growth journey seamlessly.

Our Net Profit after taxes was ₹141.4 Cr. (US\$19.2 mn.) during FY 2021, which amounted to a year on year

growth of 73%. The resultant EPS was ₹11.8 against ₹6.8 in FY 2020. We rewarded our shareholders with dividend of ₹68 Cr. and a buyback of ₹37 Cr. last year for their ongoing support. We continue to have a strong balance sheet with a net worth of ₹460 Cr. including a cash and bank balance of ₹277 Cr. to support liquidity and business growth.

This strong performance has given us momentum to unleash a next-gen digital evolution. We have partnered with leading ISVs, enterprises and early-stage companies across industries to achieve their digital transformation goals. Our collaborations with leading technology giants like Microsoft, Salesforce, AWS, Automation Anywhere and Dell Boomi, along with smaller niche players, ensure that we are well-positioned to



We have partnered with leading ISVs, enterprises and early-stage companies across industries to achieve their digital transformation goals.

offer cutting edge solutions to solve the most pressing business and technology issues.

As the pandemic continues to ease, we have commenced hybrid-working in our overseas offices and planned to start work-from-office or hybrid-working at our India centres, in line with government guidelines. We are also expanding our Greater Noida SEZ delivery centre by 48,000 square feet to facilitate work-from-office along with catering to our growth aspirations.

While we advance ourselves and prepare R Systems for the future, we are equally focused on driving value for the communities that surround us. We believe that not only can businesses co-exist with society, but they can also uplift each other in times of need. As a purpose-driven organisation, we have continued to contribute towards promoting initiatives in the areas of education, welfare, and sports. By supporting the next generation in education and sports, we hope that they will be able to handle new challenges and build a happy and agile society.

The world is now facing another geopolitical challenge in Eastern Europe. I would also like to take this opportunity to extend my sympathy and support to millions of innocent people who are suffering due to this conflict. I am hopeful that the relevant political leaders can resolve this conflict in a peaceful and diplomatic manner.

In closing, I am thankful to all of our shareholders, business partners, customers, employees, and all the government agencies for their much-needed support and faith in R Systems.

Sincere Regards,

Dr. Satinder Singh Rekhi
Managing Director and CEO

FROM THE DESK OF SARTAJ REKHI



Dear Stakeholders,

Your Company has passed through another successful transformation and is geared up for its Next-Gen Digital Transformation journey. Our innovative and agile DNA has been instrumental in navigating our customers through the last two years of the pandemic. As technology has been the lifeline for businesses and society at large, it has given them access to education and healthcare, making it possible for business operations to continue amid physical isolation. Even though the after effects of the pandemic ease, we believe that the technological impact on how we do business will remain significant.

At R Systems, we have transformed ourselves into providing digital eco-systems like our data-driven digital marketing services, and our coordinated sales efforts

have fueled our deal conversion. The demand generation to demand capture metrics are all captured and generated in our Salesforce CRM system, which enhances the visibility in the entire sales cycle. Another important aspect of our digital transformation services is to continuously hire, retain and train the right skills and monitor their deployment on the projects. We have digitally aligned our talent acquisition team with Salesforce CRM so that they work seamlessly to hire the niche skill sets needed to deliver digital transformation successfully. These changes have helped us cater to the growth opportunities.

Another interesting challenge last year was the high attrition rates faced by the IT Industry. As a leading digital technology services company, we believe that employees are our intellectual capital. To keep up with the changing technology scene, we help

to train our employees and up-skill/cross-skill them with related domains and various technologies, giving them new career opportunities with more growth options. We also re-aligned our compensation matrix with the current market conditions to retain good talent. Although we faced certain challenges, we maintained a competent talent pool to pursue growth opportunities amid this high attrition. This has impacted our offshore utilisation during FY 2021 but gave us much needed agility in pursuing our growth aspirations.

As per market studies, the digital transformation market is expected to grow from US\$ 521.5 billion in 2021 to US\$ 1,247.5 billion by 2026, at a CAGR of 19.1% during the forecasted period. Furthermore, North America is expected to have the largest market share in the digital transformation market. Over the last few years, your Company has delivered sizeable

digital transformation projects and is advantageously placed to navigate businesses in their digital transformation goals. These are now testimonials for our niche competencies and committed team. We are confident in working as an accelerator to fuel growth in this conducive demand environment.

I am incredibly grateful to all stakeholders for their continued trust and support, making R Systems stronger with each passing day.

Regards,
Sartaj Rekhi



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WHO WE ARE

We are a global digital transformation leader providing AI-driven solutions to clients across industries, through a broad range of technology and AI/ Analytics services. Over 25+ years, we have been empowering organisations with our 18 delivery centres, 25+ offices worldwide and a workforce of 4,000+ professionals ensuring seamless services to our clients across the globe.



Our narrative...

... is to generate business value for our clients through technology, data/analytics and design.



Our vision...

...is to become an end-to-end digital transformation partner for our clients.



Our mission...

... is to deliver the promise of digital transformation through services driven by new technologies and AI/Analytics.



Our values...

...are to put our clients' success first and focus on staying ahead of the curve with continuous R&D.

OUR GLOBAL FOOTPRINT



● SALES AND SERVICE OFFICE

● DEVELOPMENT / SERVICE CENTRES

25+
Offices
worldwide

4000+
Professionals ensuring
seamless services

18
Development and
Service Centres

17
Countries

3
Continents

250+
Active Clients

OUR SOLUTIONS AND SERVICES PORTFOLIO

TECHNOLOGY

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

Our Offerings

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

AUTOMATION AI AND DATA

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

Our Offerings

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

DESIGN

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

Our Offerings

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

KNOWLEDGE SERVICES

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

Our Offerings

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

OUR CERTIFICATIONS

- CMMI Level 5
- PCMM Level 5
- ISO 27001:2013
- ISO 9001:2015
- PCI DSS
- HIPAA Compliant
- SOC 2 Type 2 Compliant

EMPOWERING CUSTOMERS THROUGH DIGITAL TRANSFORMATION

● ● ●
During FY2021, we successfully catered to our client's complex requirements and have helped them create value by empowering their business models through our services and solutions. Our case studies provide a glimpse into the tangible value generated through R Systems' expertise and advanced portfolio of technology, digital services and solutions.

The past few years have intensified the importance of digital transformation for companies across all industries. The unprecedented outbreak of the health crisis, COVID-19, has forced even the most significant global businesses to re-think their business models to remain agile and resilient in this constantly evolving world.

CASE STUDY 1

A LEADING PROVIDER OF SOFTWARE AND OPERATOR SAFETY SOLUTIONS FOR THE SURFACE MINING OPERATIONS



Technology used

Azure, React, Redux, Azure Pipelines, Microservice Architecture

Docker & Containerization, Linux

React Material UI, Azure Cosmos DB, Azure SQL, Azure IoT Hub

What we did



Integrated the enterprise product with the IoT solution that meets customer needs. It can be used for Mammoth Mine, Large Quarry, or Small Construction Sites



Enabled switch assignments, set locks and bars, examined production plans, and responded to OEM alerts — all with the click of a button



Implemented geo-location on mining assets across the world's geographical locations



Architected and developed a highly scalable, multi-tenant, enterprise-class and cloud-agnostic IoT solution

Value created

- Created cloud-agnostic IoT solution
- Automated testing framework to reduce regression runtime
- Real-time alerts to prevent breakdown
- Single interface to geo-locate all mining assets around the globe
- The solution possesses scalable microservice architecture for self-healing, easy to plug new changes and ingest IoT Edge/ GPS devices
- Intuitive UI's per the latest UX standards

CASE STUDY 2

A CANADA BASED COMPANY PROVIDING INTELLIGENT TRANSPORTATION MANAGEMENT SOLUTIONS



Technology used

C#, MVC, Serilog, Angular, .NET Core, SQL Server

Azure WebApp, Azure Storage, API Management, Azure Service Bus

Azure Function, Microsoft Graph, Identity Server 4

What we did



Redeveloped a legacy software suite for transport operators, regional authorities, and travellers



Provided the following services for multiple products as mentioned:



Created microservices architecture on Microsoft Azure (SaaS)

Passenger Information: Maintenance & support to ensure consistent and accurate information reaches all passengers



Performed automation testing for software suite and Mobility Planning

Transit Master: Revamped the product to maximise the dispatcher efficiency and automatically coordinates real-time data

Yard Manager: Enhancement & support was provided to fetch the real-time updates & location of the bus

IT/DevOps: Provided support services to simplify development services

Value created

- Ongoing cost savings through multi-tenancy
- Scalable as per customer size and requirement
- Easy and instant upgrades to all user base
- By leveraging multithreading, improved application responsiveness, and minimised the system resource usage

CASE STUDY 3

A GLOBAL LEADER IN WATER-RELATED EQUIPMENT AND HANDLING SOLUTIONS



What we did



Provided UI/UX implementation, development, testing, DevOps, maintenance, and support services



Working on multiple software products like Filtration, water treatment, and water flow & controller



Implemented software enhancement for Residential, Commercial, and Industrial clients



Engaged in a web-based application, mobile app, back-end application

Value created

- Enhanced the security features
- Enabled instant 24/7 status information of connected water devices
- Remote monitoring and controlling through application
- Synchronisation of data across various services (Salesforce, AWS, Magento, etc.)
- Remote diagnosis of IoT devices

Technology used

AWS services, Nodejs, ReactJS, React Native, Go Language, Salesforce, IoT

Adobe Experience Manager (AEM), Dell Boomi, Magento

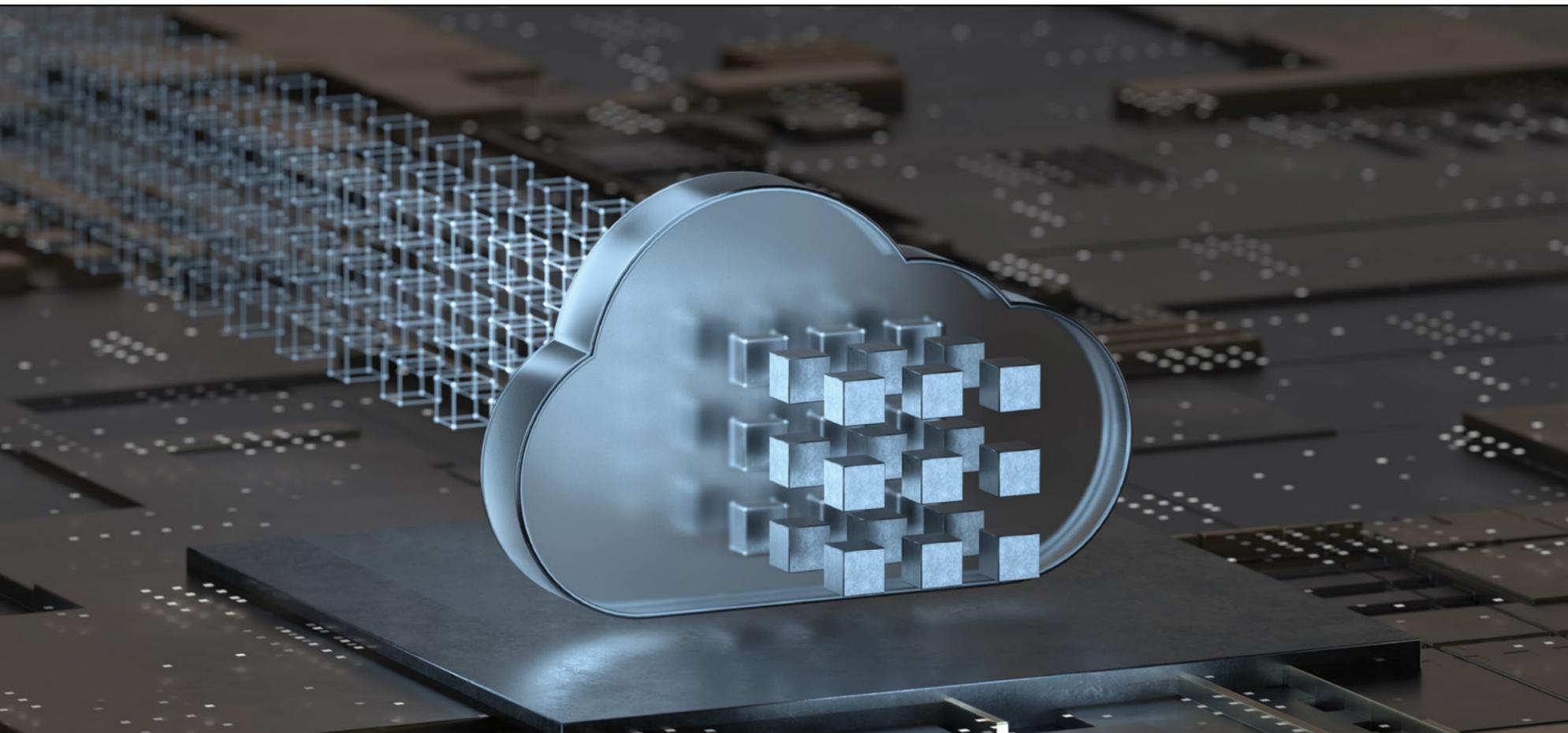
Stripe Payment Integration Framework, DynamoDB, JIRA, Confluence

Zephyr, Figma, Lokalise, Sketch

Test Project, Ranorex

CASE STUDY 4

THE CLIENT ENABLES DIGITAL TRANSFORMATION FOR THE ERA OF AN INTELLIGENT CLOUD AND AN INTELLIGENT EDGE



Technology used

Scala, Java, Rust, Python, Cassandra, Docker, GitLab, Azure

C++, Memcached, Jenkins, TTS, Prometheus

C, Jenkins, libcurl

Linux/Unix

What we did



Product development for 4+ products from Azure for the Operations department portfolio.



Charging solution generating records based on which invoice is created sent to the customer



Areas covered: Cloud-native, highly scalable solutions for voicemail and unified, cloud-based platform for voicemail, text, and video messages storage



Solution offering fixed-line local calling and long-distance voice services in modern telephone networks



Tools: GIT pipelines update and maintenance

Value created

- Created a versatile team (in terms of technologies) allowing the client to focus on essential aspects of the business
- Optimised operation and maintenance costs
- Improved performance
- Ease of scaling and geo-redundancy
- Ability to deploy within hybrid public or private clouds
- Autoscaling and easy configuration
- Secure communication

CASE STUDY 5

A LIFESTYLE COFFEE CHAIN
IN SINGAPORE

Technology used

Microsoft Technologies

What we did



Provided Power BI to extract data from the database,



Implemented WMS Solutions



Implemented Microsoft Dynamics 365 Business Central for Sales, Purchase, Finance and Inventory Management & LS Central.

Value created

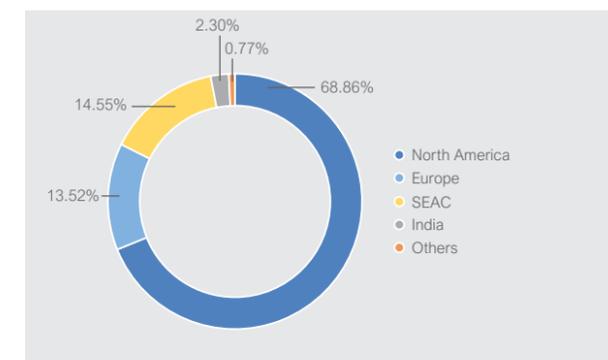
- The executive team is able to furnish reports to the management for faster decision making due to the integration between POS and ERP system.
- Deployment of Power BI also enables more users to access the data as assigned for better operational efficiencies.
- Purchase, cash, and bank transactions are centralised for increasing efficiencies.
- Daily sales demographic wise and customer analysis lead to better visibility in business.

OUR FINANCIAL PERFORMANCE AT A GLANCE

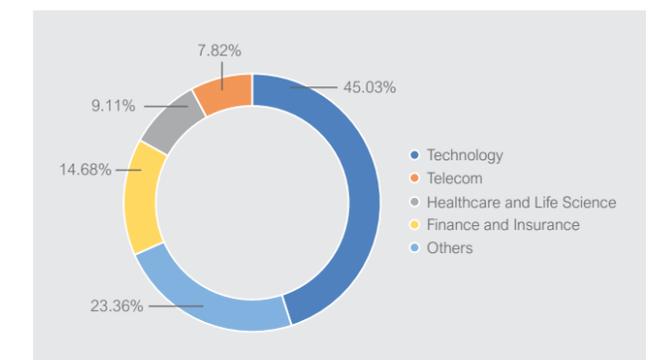
Financial highlights

	Year 2021	Year 2020
Revenue (USD in millions)	156.52	119.16
EBIDTA (USD in millions)	21.87	15.80
EBIDTA (in %)	13.97	13.27
Net Profit (USD in millions)	19.16	11.07
Cash and Bank Balance (USD in millions)	37.32	41.49
Shareholders Fund (USD in millions)	61.92	58.41
Days Sales Outstanding	50 days	53 days

Revenue by geography



Revenue by Vertical



Our clients

250+ Active clients

OVER 85% Repeat business

6 USD 3+ million clients

40 USD 1+ million clients

STRENGTHENING OUR PEOPLE CAPITAL

At R Systems, we recognise our human capital as a pertinent asset and driving force behind our continuous growth and success. Therefore, we are consistently looking forward to cultivating employee skills and capabilities to instil shared organisational objectives in our system. We are determined to ensure and nurture a progressive workplace culture that is focused on the total development of our employees. To achieve this, we focus on our people development practices that help us generate and strengthen our employees' competencies to deliver notable results on the trajectories of operational efficiencies and productivity.

Over the past decade, we have fine-tuned our process to bring out the best in our people, enabling higher productivity, reduced costs and enhanced customer satisfaction. This year, we engaged with leaders and teams to understand different situations in terms of wellness and challenges, helping us identify any employee issues, which is resolved by providing constant support and guidance to them. We were also got reappraised for PCMM Level 5 — a maturity framework that focuses on continuously improving the management and development of an organization's human assets.

The outbreak of the COVID-19 led pandemic imposed several restrictions on the traditional workplace practices. To safeguard our employees, we implemented the work-from-home model in our system. We ensured that our people smoothly transitioned into the new way of working while being readily available to service our clients with utmost dedication. We equipped our employees with digital tools to ensure productivity while having a secure and stable environment meeting our customer's expectations. Throughout FY2021, we continued to provide complete support to our employees and their families. We conducted several health seminars to raise awareness about COVID-19.

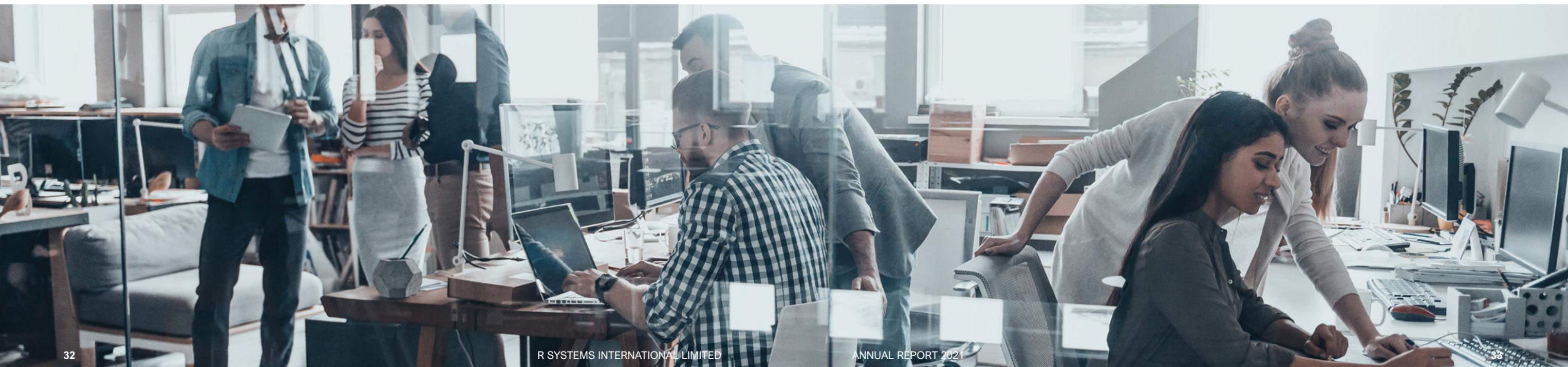
We also set up multiple vaccination camps for all our employees and their families.

During the year, R Systems has not only conducted various training and learning sessions for employees which helps them to increase competencies but also conducted programmes and workshops that uplifts life skills in our employees.

We have also hosted several team building events like virtual festivals celebrations, Night outs, office parties, Townhall, Reading Marathon, Standup comedy, Annual Talent Show, Online quiz, Online Antakshari etc.

R Systems has taken several initiatives throughout the year to boost the morale and motivation of employees like awarding them gift vouchers for quarterly awards, yearly awards like Manager and Employee of the year, spot awards, Best mentor, Best Buddy, yearly long service Awards etc.

Further, R Systems has been conferred with 17th best employer in Romania by the biggest employer review portal undelucram.ro.



QUALITY ASSURANCE AND EXCELLENCE

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

In 2021, our Noida IT and Knowledge Services (KS) Division became SOC2 compliant and got reappraised for PCMM Level 5. As of the date of this report, our Noida IT division is CMMI level 5 (Ver.1.3), PCMM Level 5, ISO 9001:2015, ISO 27001:2013 certified and SOC2 Type 2 compliant. Our Noida Knowledge Services (KS) Division is PCMM Level 5, ISO 27001:2013, ISO 9001:2015 certified and SOC2 Type 2 compliant. We are also HIPAA compliant for healthcare clients and PCI-DSS (ver.3.2.1) certified (for IT infrastructure and the projects/process/applications in scope).

We believe that our investment in processes, talent and methodologies will enable us to distinguish ourselves from the competition as we seek to provide services to leading ISVs and enterprise customers.



QUALITY CERTIFICATIONS

1998-2003

1998 - ISO 9001 : 1994
2002 - ISO 9001 : 2000
2002 - CMM LEVEL 4
2003 - CMM LEVEL 5

2004-2009

2004 - SIX SIGMA Roll-out
2006 - CMMI LEVEL 5
2006 - ISO 27001 : 2005
2008 - PCMM LEVEL 3
2009 - Upgraded to PCMM LEVEL 5

2010-2015

2010 - ISO 9001 : 2008
2011 - CMMI LEVEL 5 (v 1.2)
2012 - CMMI LEVEL 5 (v 2.0)
2013 - PCI-DSS (v 2.0)
2014 - CMMI LEVEL 5 (v 1.3)
2015 - ISO 27001 : 2013, PCI-DSS (3.1)

2016-2021

2017 - HIPAA Compliance
2018 - ISO 9001 : 2015 & PCI-DSS (v 3.2.1)
2018 - REAPPRAISED PCMM Level 5 (v 2.0)
2019 - ISO 9001 : 2015 (Unified certification for IT and BPO)
2020 - Reappraised for CMMI L5 (v 1.3)
2021 - SOC2 Type 2 Reporting of Org Level
2021 - Reappraised PCMM Level 5 (v 2.0)

CSR: EMPOWERING COMMUNITIES IS THE NEW BUSINESS SUCCESS



Women Empowerment



Sports

At R Systems, we recognise social responsibility as an integral part of our organisational objectives. Therefore, we consistently strive to steer social development through various uplifting initiatives targeted at the underprivileged sections of society. Our inclination toward generating value in the communities surrounding us has been encouraged by the undeterred commitment of our visionary Dr. Satinder Singh Rekhi, who has been nurturing the 'science of happiness' in the organisation.

Dr. Rekhi's belief in the philosophy that businesses can and should bring a positive impact on society has motivated us to make social efforts in education, sports, and health, amongst others. The year 2021 brought with it various challenges that have emphasised the critical role of organisations in safeguarding and protecting their communities during testing times. To this end, we planned and executed several meaningful initiatives to create value in people's lives.

OUR FOCUS AREAS FOR FY2021



Education

Collaboration with Army Public School:

During FY2021, with the help of Army Public School, Beas, we successfully facilitated the education and welfare of children who belong to the weaker sections of society.

Ritnand Balved Education Foundation (RBEF) and IIM, Ranchi:

To educate students and teachers about the science of happiness and provide them with tools and techniques to enable them to lead a balanced life, R Systems Joined



hands with RBEF and IIM Ranchi. This initiative helped promote academic cooperation while also identifying areas that enhanced teachers' mental health and students' employability skills by promoting international research focusing on Happiness, Spirituality & Consciousness.



Community Welfare

Missionary of Charity:

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

R Systems through its subsidiaries in Europe has planted 600 trees with the help of 30 volunteers (Employees and their families) and participated in the forest cleaning in Bialystok.

Our Subsidiaries in Europe initiated various fund raising campaigns to support noble causes.

ICT Academy of Tamil Nadu:

During the year, R Systems partnered with the ICT Academy of Tamil Nadu to improve digital teaching skills and the soft-skill base of women educators through the 'Women Educators Empowerment Program' (WEEP) Program. This initiative enabled us to train 200 women educators in rural schools across India.



Providing Actions with Research And Sustainable Development (PARAS India):

During the year 2021, with the help of PARAS India, R Systems set up many Silai (sewing) Schools in Delhi slums. We aimed to empower poor women to become entrepreneurs through sewing projects and sewing schools as a women empowerment initiative.



Pullela Gopichand Badminton Academy and Prakash Padukone Badminton Academy:

R Systems works with the Pullela Gopichand Badminton Academy and Prakash Padukone Badminton Academy to encourage budding badminton aspirants. We provide them with badminton related coaching and training expenses to help their performance at various national and international events.

Go Sports:

During 2021, R Systems partnered with GoSports Foundation to help emerging athletes prepare and achieve excellence through scientific long-term athlete development.

Abhinav Bindra Foundation:

During the Year 2021, R Systems shared missions with Abhinav Bindra Foundation to increase the standard of Sporting Ecosystems, channelling a culture of Excellence in Sport and supporting athletes through High-Performance Training.



CORPORATE INFORMATION

Board of Directors (As of May 10, 2022)

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

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

Mr. Avirag Jain
(Director & Chief Technology Officer)

Mrs. Ruchica Gupta
(Non-Executive Independent Director)

Mr. Kapil Dhameja
(Non-Executive Independent Director)

Mr. Aditya Wadhwa
(Non-Executive Independent Director)

Chief Financial Officer

Mr. Nand Sardana

Company Secretary and Compliance Officer

Mr. Bhasker Dubey

Committees of the Board of Directors

Audit Committee

Mrs. Ruchica Gupta
(Chairperson)

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

Mr. Kapil Dhameja
(Member)

Mr. Aditya Wadhwa
(Member)

Stakeholders Relationship Committee

Mr. Kapil Dhameja
(Chairman)

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

Mrs. Ruchica Gupta
(Member)

Nomination & Remuneration Committee

Mrs. Ruchica Gupta
(Chairperson)

Mr. Kapil Dhameja
(Member)

Mr. Aditya Wadhwa
(Member)

Risk Management Committee

Mrs. Ruchica Gupta
(Chairperson)

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

Mr. Kapil Dhameja
(Member)

Corporate Social Responsibility Committee

Mr. Kapil Dhameja
(Chairman)

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

Mrs. Ruchica Gupta
(Member)

Compensation Committee

Mrs. Ruchica Gupta
(Chairperson)

Mr. Kapil Dhameja
(Member)

Mr. Aditya Wadhwa
(Member)

Registered Office

GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi-110019

Corporate Office

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

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants

7th Floor, Building 10, Tower B,
DLF Cyber City Complex

DLF City Phase II, Gurugram-122002

Registrar & Share Transfer Agent

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

Bankers to the Company

Axis Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Punjab National Bank
California Bank and Trust, U.S.A.

Natwest Bank
OCBC Bank
Royal Bank of Canada
DBS Bank Limited
BRD Groupe Societe Generale SA
Santander Bank

Listed At

National Stock Exchange of India Limited
BSE Limited

Subsidiaries of R Systems International Limited

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

Subsidiary of R Systems (Singapore) Pte Limited

R Systems IBIZCS Pte. Ltd., Singapore

Subsidiaries of R Systems IBIZCS Pte. Ltd.

IBIZ Consulting Services Pte. Ltd.,
Singapore
R Systems IBIZ Sdn. Bhd., Malaysia
PT. RSystems IBIZCS International,
Indonesia
IBIZ Consulting (Thailand) Co. Ltd.,
Thailand

IBIZ Consulting Services Limited,
Hong Kong (IBIZ HK)
IBIZ Consulting Services (Shanghai)
Co. Ltd., People's Republic of China
(Wholly owned subsidiary of IBIZ HK)

Subsidiaries of R Systems Consulting Services Limited

R Systems Consulting Services (M)
Sdn. Bhd., Malaysia

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

R Systems Consulting Services
(Shanghai) Co., Ltd. People's Republic
of China

R Systems Consulting Services (Hong
Kong) Ltd., Hong Kong

R Systems Consulting Services
Kabushiki Kaisha, Japan

Subsidiaries of R Systems Computaris International Limited

R Systems Computaris Europe S.R.L.,
Romania

R Systems Computaris Poland
sp z o.o, Poland

R Systems Computaris S.R.L, Moldova
R Systems Computaris Malaysia Sdn.
Bhd., Malaysia

R Systems Computaris Philippines
Pte. Ltd. Inc., Philippines

R Systems Computaris Suisse Sarl,
Switzerland

DIRECTORS' REPORT

Dear Shareholders,

Your directors take great pleasure in presenting the Twenty Eighth Annual Report on the business and operations of R Systems International Limited ("R Systems" or the "Company") together with the audited financial statements of accounts for the year ended December 31, 2021.

1. Financial Results

a. Standalone financial results of R Systems

(₹ in million)

Particulars	Financial Year ended	
	31.12.2021	31.12.2020
Total Revenue	5,775.01	4,387.15
Profit before depreciation, exceptional items and tax	1,505.42	950.41
Less: Depreciation and amortisation expense	146.49	134.61
Profit before tax	1,358.93	815.80
Less: Current tax	245.27	149.86
Less: Deferred tax (credit)/expense	(43.81)	(31.13)
Profit after tax	1,157.47	697.07
Other comprehensive income/ (loss)	0.71	(11.01)
Total comprehensive income for the year	1,158.18	686.06
Statement of change in Retained Earnings		
Opening Balance	3,116.03	2,423.29
Adjustment pursuant to Merger of RightMatch Holdings Limited	-	19.22
Adjustment for adoption of Ind AS 116	-	(10.49)
Adjusted opening balance	3,116.03	2,432.02
Add: Profit for the current year	1,157.47	697.07
Less: Buyback of Shares (including tax)	168.10	-
Less: Dividend paid	677.66	-
Less: Dividend paid by RightMatch Holdings Limited	-	13.06
Closing Balance	3,427.74	3,116.03
EPS-Basic	9.70	5.83

b. Consolidated financial results of R Systems and its Subsidiaries

(₹ in million)

Particulars	Financial Year ended	
	31.12.2021	31.12.2020
Total Revenue	11,556.39	8,805.91
Profit before depreciation, exceptional items and tax	1,977.65	1,236.90
Less: Depreciation and amortisation expense	276.93	256.04
Less: Exceptional Items	-	18.65
Profit before tax	1,700.72	962.21
Less : Current tax	327.63	206.17
Less : Deferred tax (credit)/ expense	(41.27)	(61.95)
Profit after tax	1,414.36	817.99
Other comprehensive income/ (loss)	(32.19)	75.92
Total comprehensive income for the year	1,382.17	893.91
Statement of change in Retained Earnings		
Opening Balance	3,606.67	2,796.95
Adjustment pursuant to Merger of RightMatch Holdings Limited	-	19.22
Adjustment on adoption of Ind-AS 116	-	(14.43)
Adjusted opening balance	3,606.67	2,801.74
Add: Profit for the current year	1,414.36	817.99
Less : Buyback of Shares (including tax)	168.10	-
Less : Dividend paid	677.66	-
Less : Dividend paid by RightMatch Holdings Limited	-	13.06
Closing Balance	4,175.27	3,606.67
EPS-Basic	11.85	6.84

2. Results of Operations

Standalone Accounts

- Total revenue during the year 2021 was ₹ 5,775.01 mn. as compared to ₹ 4,387.15 mn. during the year 2020, an increase of 31.63%.
- Profit after tax was ₹ 1,157.47 mn. during the year 2021 as compared to ₹ 697.07 mn. during the year 2020, an increase of 66.05%.
- Basic earnings per share (of face value of ₹ 1/- each) was ₹ 9.70 for the year 2021 as compared to ₹ 5.83 for the year 2020, an increase of 66.38%.

Consolidated Accounts

- Total revenue during the year 2021 was ₹11,556.39 mn. as compared to ₹ 8,805.91 mn. during the year 2020, an increase of 31.23%.
- Profit after tax was ₹ 1,414.36 mn. during the year 2021 as compared to ₹ 817.99 mn. during the year 2020, an increase of 72.91%.
- Basic earnings per share (of face value of ₹ 1/- each) was ₹11.85 for the year 2021 as compared to ₹ 6.84 for the year 2020, an increase of 73.25%.

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

3. Appropriations and Reserves

Dividend

During the year 2021, the Board of Directors declared two interim dividends namely, Interim Dividend 2021 of ₹ 2.50/- per equity share i.e. 250% of face value of ₹ 1/- each at its meeting held on June 18, 2021 and Second Interim Dividend 2021 of ₹ 3.20/- per equity share i.e. 320% of face value of ₹ 1/- each at its meeting held on November 02, 2021. The said interim dividends have been paid to shareholders on July 14, 2021 and November 26, 2021, respectively. The Board of Directors has not recommended any final dividend for the financial year ended on December 31, 2021.

Transfer to Reserves

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

4. Business

R Systems is a leading provider of technology, artificial intelligence, analytics and knowledge services. We partner with customers to enable or elevate their digital transformation with our diversified digital offerings. Our technology offerings include product engineering, cloud

enablement, QA testing, Internet of Things (IoT), and digital platforms and solutions. This includes solution offerings i.e. Microsoft, Infor, Blue Yonder and QlikView through our subsidiaries in South East Asia.

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

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

For details of Company's subsidiaries please refer note number 12 relating to subsidiaries.

The outbreak of COVID-19 raised widespread concern and economic hardship for consumers, businesses and communities across the globe. However, the Indian IT Sector was largely successful in containing the impact of Covid -19 as the businesses have accelerated the digitization of their customer, supply-chain interactions and of their internal operations to function and transact. This acceleration in digital transformation has led to increase in demand for technology products and services. Therefore, the business outlook continues to be positive with strong demand environment, and we continue to invest in newer technologies, sales and marketing initiatives to fuel our growth engine.

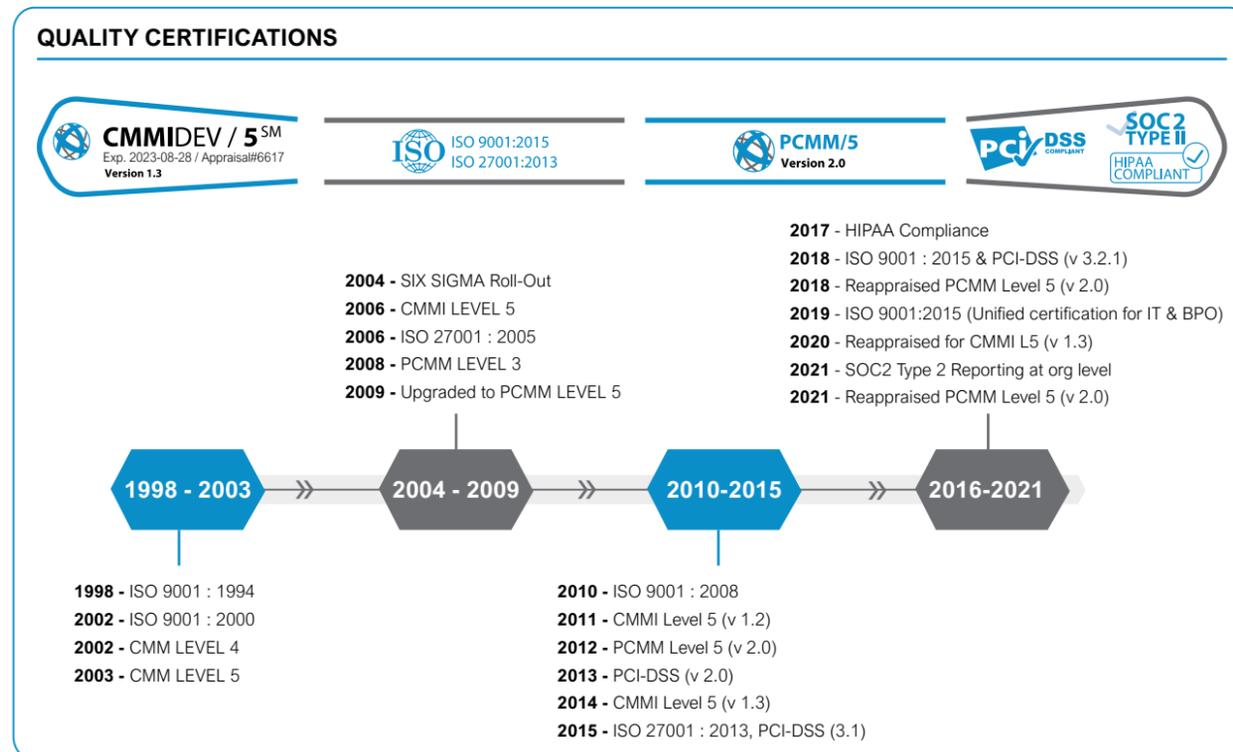
We are still conscious of risk of COVID. Safety and wellbeing of our employees is paramount to us in evaluating our options for work-from-office or hybrid working in a phased manner while ensuring the smooth services to our customers.

Subsequent to year ended December 31, 2021, the Company has received approval from Department of Commerce, Ministry of Commerce & Industry, Government of India for expansion of its existing Special Economic Zone units located at Greater Noida West (NCR) for additional space of approximate 48,320 sq. ft.

DIRECTORS' REPORT

5. Quality

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



During the year 2021, Noida IT as well as Knowledge Services (KS) Division became SOC2 compliant and got reappraised for PCMM Level 5.

As of the date of this report, Noida IT division is CMMI level 5 (Ver.1.3), PCMM Level 5, ISO 9001:2015, ISO 27001:2013 certified and SOC2 Type 2 compliant. Noida Knowledge Services (KS) Division is PCMM Level 5, ISO 27001:2013, ISO 9001:2015 certified and SOC2 Type 2 compliant. Apart from this, KS division is also HIPAA compliant for specific clients and PCI-DSS (ver.3.2.1) certified (for IT Infrastructure along with the projects/process/ applications in scope).

To maintain and strengthen competitive strengths, R Systems continues to make investments for enhancing its competencies around latest technologies for flawless execution and consistent delivery of state of art Product and solutions for our customers. The product engineering offerings include services along the entire software

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

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

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

- Mr. Avirag Jain was re-appointed as director, liable to retire by rotation, at the Annual General Meeting held on May 19, 2021.
- Lt. Gen. Baldev Singh (Retd.) was re-appointed as Whole-time Director, designated as President and Senior Executive Director of the Company for a period of two years commencing from April 01, 2021

to March 31, 2023 at the Annual General Meeting held on May 19, 2021.

- Mrs. Ruchica Gupta, Mr. Kapil Dhameja and Mr. Aditya Wadhwa, were re-appointed as Non-Executive Independent Director of the Company for a period of further five years commencing from June 29, 2021 to June 28, 2026 at the Annual General Meeting held on May 19, 2021.

There was no change in the KMP of the Company during the financial year ended on December 31, 2021.

In terms of Section 152 of the Act, Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

The brief profile of Lt. Gen. Baldev Singh (Retd.) forms part of the Corporate Governance Report and the notice of the ensuing Annual General Meeting of the Company.

No director of the Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. The directors of R Systems have made necessary disclosures, as required under various provisions of the Companies Act, 2013 (Hereinafter referred as the "Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred as "Listing Regulations").

On the basis of the declarations submitted by the Independent Directors of the Company, the Board of Directors have opined that all the Independent Directors of the Company fulfil the required criteria as defined under Section 149(6) of the Act and the Listing Regulations.

Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

7. Liquidity and Borrowings - Consolidated Financial Statement

The consolidated cash and cash equivalents as at December 31, 2021 were ₹ 2,043.68 mn. as against ₹ 2,135.84 mn. as on December 31, 2020. Net cash generated from operating activities was ₹ 873.15 mn. for the year ended on December 31, 2021 compared to ₹ 1,253.92 mn. for the year ended December 31, 2020. Cash inflow from investing activities was ₹ 211.89 mn. for the year ended on December 31, 2021 and mainly comprised of proceeds from long term deposit with bank ₹ 421.93 mn. (net), interest income of ₹ 67.81 mn. as

offset by purchase of property, plant and equipment of ₹ 278.94 mn.

Cash used in financing activities was ₹ 1,159.17 mn. for the year ended December 31, 2021 and mainly comprised of payment of interim dividends of ₹ 677.76 mn., Buyback of equity shares (including tax) of ₹ 369.80 mn. and payment of lease liabilities of ₹ 107.01 mn.

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

R Systems has taken credit facility (fund based as well as non-fund based) from Axis Bank Limited and ICICI Bank Limited. As of December 31, 2021, the total credit balance was nil under fund based line of credit. Further, borrowings as on December 31, 2021 represent loan taken for motor vehicles amounting to ₹ 10.61 mn.

8. Changes in the Capital Structure

During the year under review, the following changes took place in the capital structure of the Company:

At the beginning of the financial year 2021, the share capital structure of the Company was as follows:

Particulars	Equity Shares of ₹ 1/- each
Authorised Share Capital	206,000,000
Issued, Subscribed and Paid up share Capital	119,636,445

During the year under review, Hon'ble National Company Law Tribunal, New Delhi vide order dated February 01, 2021, approved the Scheme of Amalgamation of RightMatch Holdings Limited ("RightMatch") and R Systems International Limited and their respective shareholders and creditors. Pursuant to the said Order, on March 09, 2021, the Company had cancelled and extinguished 8,828,489 fully paid up equity share, held by RightMatch and allotted equivalent number of shares to the shareholders of RightMatch in the proportion of their shareholding in RightMatch.

Further, during the period under review, the Company had completed buyback of its 1,333,000 equity shares of ₹ 1/- each. At the end of the financial year ended December 31, 2021, the share capital structure of the Company was as follows:

Particulars	Equity Shares of ₹ 1/- each
Authorised Share Capital	206,000,000
Issued, Subscribed and Paid up share Capital	118,303,445

DIRECTORS' REPORT

9. Buyback

During the year ended December 31, 2021, in compliance with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, applicable SEBI Circulars and the Companies Act, 2013, the Board of Directors of the Company at its meeting held on August 06, 2021 approved the Buyback of up to 1,333,000 fully paid-up equity shares of face value of ₹ 1/- each, from all the equity shareholders of the Company as on the record date i.e. August 27, 2021, on a proportionate basis, through the "tender offer" route using the "Mechanism for acquisition of shares through Stock Exchange" as notified by SEBI at a price of ₹ 225/- (Rupees Two Hundred Twenty Five Only) per equity share for an aggregate amount of up to ₹ 299,925,000/- (Rupees Twenty Nine Crore Ninety Nine Lakhs Twenty Five Thousand Only) (excluding buyback tax). The settlement of all valid bids was completed by the Indian Clearing Corporation Limited on October 12, 2021. The extinguishment of 1,333,000 equity shares (all in dematerialized form) accepted under the said Buyback was completed on October 14, 2021.

10. Scheme of Amalgamations and Arrangements

Hon'ble National Company Law Tribunal, New Delhi vide its order dated February 01, 2021 approved the Scheme of Amalgamation of RightMatch Holdings Limited ("RightMatch") and R Systems International Limited and their respective shareholders and creditors ("Scheme"). The said scheme was also approved by the Statutory Authorities of Mauritius. The Scheme was effective w.e.f. March 09, 2021.

Pursuant to the said Scheme, RightMatch (part of Promoter and Promoter Group of R Systems) was amalgamated into R Systems International Limited and 8,828,489 fully paid up equity shares of R Systems International Limited as held by RightMatch were extinguished and equivalent number of shares were allotted to the shareholders of RightMatch (who were also part of Promoter and Promoter Group of R Systems) in the proportion of their shareholding in RightMatch.

Therefore, there was no change in the Promoter and Promoter Group shareholding of R Systems as a result of amalgamation of RightMatch into R Systems.

The said amalgamation not only led to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrated the Promoter's direct commitment to and engagement with R Systems.

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

The particulars as prescribed under Section 134 (1) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the year ended December 31, 2021 are as follows:

A. Conservation of Energy

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

R Systems constantly evaluates new technologies and makes appropriate investments to be energy efficient.

During the year ended December 31, 2021, R Systems adopted various energy conservation options/ technologies and took measures to reduce energy consumption by using energy efficient equipment and devices, replacing existing CFL fittings with LEDs fittings to reduce power consumption, timely preventive maintenance of all major and minor equipment. The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localized areas. The Company is endeavoring to convert its Diesel generators to GAS based generators.

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

B. Technology absorption

1. Efforts made towards technology absorption

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

2. Benefits derived as a result of the above efforts

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

3. Technology imported during the last 3 years

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

4. Expenditure incurred on Research and development

Driven by our core value of innovation, we believe that innovation is not just a practice but an essential component embedded within R Systems organizational DNA. We are now operating in a digital world. Digital transformation is one of our core areas where R Systems partner with businesses to make them competitive and successful in today's hyper-changing environment. Over the year ended December 31, 2021, your Company has invested in research and development around all leading digital technologies. Further, R Systems has also strengthened its proprietary solutions and frameworks optimizing the integration with digital technologies.

C. Foreign Exchange Earnings and Outgo (Accrual Basis)

A significant percentage of R Systems revenues are generated from exports. The development and service centre in Noida is registered with the Software Technology Park of India as 100% Export Oriented Undertaking. All efforts of the Company are geared to increase the business of software exports in different products and markets. We have made investments in sales and marketing activities in various growing markets.

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

Particulars	Financial Year ended	
	31.12.2021	31.12.2020
(a) Earnings (Accrual Basis)	5,770.20	4,272.28
(b) Expenditure (Accrual Basis)	695.83	519.17
(c) CIF value of imports	64.27	61.78

12. Subsidiaries

As on December 31, 2021, R Systems has twenty five subsidiaries. The name and country of incorporation of those subsidiaries are as follows:

S. No.	Name of the Subsidiaries	Country of Incorporation
1.	R Systems, Inc.	U.S.A.
2.	R Systems Technologies Ltd.	U.S.A.
3.	RSYS Technologies Limited	Canada
4.	R Systems Consulting Services Limited (Formerly known as ECnet Limited)	Singapore
5.	R Systems Consulting Services (M) Sdn. Bhd. (Formerly known as ECnet (M) Sdn. Bhd.)#	Malaysia
6.	R Systems Consulting Services (Hong Kong) Limited (Formerly known as ECnet (Hong Kong) Limited)#	Hong Kong
7.	R Systems Consulting Services (Thailand) Co. Ltd. (Formerly known as ECnet Systems (Thailand) Co. Ltd.)#	Thailand
8.	R Systems Consulting Services Kabushiki Kaisha (Formerly known as ECnet Kabushiki Kaisha)#	Japan
9.	R Systems Consulting Services (Shanghai) Co., Ltd. (Formerly known as ECnet (Shanghai) Co. Ltd.)#	People's Republic of China
10.	R Systems Computaris International Limited (Formerly known as Computaris International Limited)	U.K.
11.	R Systems Computaris S.R.L. (Formerly known as ICS Computaris International Srl)#	Moldova
12.	R Systems Computaris Malaysia Sdn. Bhd. (formerly known as Computaris Malaysia Sdn. Bhd.)#	Malaysia
13.	R Systems Computaris Poland Sp. Z o.o. (Formerly known as Computaris Polska Sp Z.o.o.)#	Poland
14.	R Systems Computaris Europe S.R.L (Formerly known as Computaris Romania SRL)#	Romania

DIRECTORS' REPORT

S. No.	Name of the Subsidiaries	Country of Incorporation
15.	R Systems Computaris Philippines Pte. Ltd. Inc. (Formerly known as Computaris Philippines Pte. Ltd. Inc.) [@]	Philippines
16.	R Systems Computaris Suisse Sàrl (Formerly known as Computaris Suisse Sàrl) [@]	Switzerland
17.	R Systems (Singapore) Pte. Ltd.	Singapore
18.	R Systems IBIZCS Pte. Ltd. (Formerly known as IBIZ Consulting Pte. Ltd.) [*]	Singapore
19.	IBIZ Consulting Services Pte Ltd. [^]	Singapore
20.	R Systems IBIZCS Sdn. Bhd. (Formerly known as IBIZ Consulting Services Sdn. Bhd.) [^]	Malaysia
21.	PT. RSystems IBIZCS International (Formerly known as PT. IBIZCS Indonesia) [^]	Indonesia
22.	IBIZ Consulting Services Limited [^]	Hong Kong
23.	IBIZ Consulting Services (Shanghai) Co., Ltd. [%]	People's Republic of China
24.	IBIZ Consulting (Thailand) Co. Ltd. [^]	Thailand
25.	IBIZ Consultancy Services India Private Limited	India

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

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

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

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

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

As on date of this report, all the subsidiaries of the Company except IBIZ Consultancy Services India Private Limited were incorporated and based outside India. In addition to provide services to various international clients these subsidiaries also help to generate revenues for R Systems.

During the year under review, Innovizant LLC, wholly-owned step-down subsidiary of the Company has been merged with R Systems, Inc., wholly owned subsidiary of the Company w.e.f. August 31, 2021.

During the year under review, the name of some of the subsidiaries as mentioned above has been changed to operationalize various synergies across the group Companies.

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

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

During the year 2021, the Company had three material Subsidiaries, namely, R Systems, Inc., R Systems (Singapore) Pte. Ltd., R Systems Computaris Europe S.R.L., all incorporated and based outside India.

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

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

13. Particulars of employees

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and

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

14. Directors' responsibility statement

Pursuant to the requirement of Section 134 (3) (c) read with Section 134(5) of the Companies Act, 2013 with respect to directors' responsibility statement, your directors hereby confirm that:

- 1) in the preparation of the annual accounts for the financial year ended December 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- 3) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the directors had prepared the annual accounts for the financial year ended December 31, 2021 on a going concern basis;
- 5) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- 6) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. Auditors and Audit Report

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [Firm's Registration No. 117366W/W-100018], were appointed as the Statutory Auditors of your Company in the Annual General Meeting held on May 15, 2017 for a

term of five years until the conclusion of the 28th Annual General Meeting of the Company.

In terms of provisions of Sections 139 and 141 of the Act, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, are eligible to be re-appointed for a further term of 5 (five) years.

The Board of Directors in their meeting held on February 18, 2022, on the recommendation of the Audit Committee and subject to approval of the Shareholders of the Company at the ensuing AGM, have approved the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, having Firm Registration No. 117366W/W-100018, as the Statutory Auditors of the Company from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from M/s. Deloitte Haskins & Sells LLP. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated, for the financial year ended December 31, 2021. During the year 2021, the statutory auditors has not reported any matter under Section 143(12) of the Act. The said Auditors' Report(s) for the financial year ended December 31, 2021 on the financial statements of the Company forms part of the Annual Report.

16. Audit committee

R Systems has a qualified and independent Audit Committee. During the year under review, there was no change in the composition of the Audit Committee.

The constitution of the Committee is in compliance with the provisions of the Act and the Listing Regulations.

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

DIRECTORS' REPORT

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

17. Prevention and prohibition of sexual harassment of women at work place

At R Systems, it is our desire to promote a healthy and congenial working environment irrespective of gender, caste, creed or social class of the employees. We value every individual and are committed to protect the dignity and respect of every individual. The Company has always endeavored for providing a better and safe environment free of sexual harassment at all its work places. Consequent to the enactment of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Management of R Systems International Limited has constituted an Internal Complaints Committee ("ICC") to deal with any complaints or issues that may arise, in the nature of sexual harassment of women employees. The Company has also prepared and implemented Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. During the year ended December 31, 2021, there was one case reported to ICC, which was dully investigated and resolved by the ICC.

18. Corporate Governance

As required under the Listing Regulations, the detailed report on corporate governance is given as **Annexure C** to this report and the certificate obtained from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [Firm's Registration No. 117366W/W-100018], Statutory Auditors of the Company, regarding compliance of the conditions of corporate governance as stipulated in the Listing Regulations is annexed as **Annexure D** to this report.

19. Customer relations

R Systems recognizes that the customers have a choice of service providers and the directors would like to place on record their gratitude on behalf of the Company for the business provided by them. The Company's quality policy mandates that the voice of the customer is obtained on a regular basis. We constantly review the feedback and incorporate its impact into our delivery systems and communications.

20. Stakeholder's relations

R Systems is inspired by its customers and its employees transform that inspiration and customers' needs into value for all stakeholders. We thank all R Systems employees worldwide for their hard work, commitment, dedication and discipline that enables the Company to accomplish its customer commitments and commitments to all its stakeholders. R Systems conducts regular employee satisfaction surveys and open house meetings to get employee feedback. R Systems is constantly validating key employee data with industry and peer group business. These practices have helped the Company to achieve many of its business goals and have been recognised in many industry surveys over the last few years. The open door policy of our senior management team ensures that the feedback loop is completed promptly. We thank our shareholders for their continuous support and confidence in R Systems. We are aware of our responsibilities to our shareholders to provide full visibility of operations, corporate governance and creating superior shareholder value and we promise to fulfill the same.

21. Management discussion and analysis report

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

22. Business Responsibility Report

The Business Responsibility Report of the Company for the financial year ended December 31, 2021 as required under Regulation 34(2)(f) of the Listing Regulations forms part of this Report as **Annexure F**.

23. Secretarial Auditor and Secretarial Audit Report

M/s. Sanjay Grover & Associates, Company Secretaries, was appointed by the Board of Directors of the Company to carry out the Secretarial Audit under the provision of Section 204 of the Act for the financial year ended December 31, 2021. The Secretarial Audit report for financial year ended December 31, 2021 is enclosed as **Annexure G**.

Further, the Secretarial auditors' report being self-explanatory, does not call for any further comments by the Board of Directors as there are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the financial year ended December 31, 2021.

24. Vigil Mechanism/ Whistle Blower Policy

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

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

As per the provisions of Section 178 of the Act and other relevant provisions and on the recommendation of the Nomination and Remuneration Committee, the Board has framed a criteria for selection of Directors, a policy for remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Criteria for selection of candidates for Membership on the Board of Directors and the remuneration policy are stated in the Corporate Governance Report.

26. Meetings of the Board

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

27. Committees of the Board

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

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

The details of composition of the said Committee(s), their terms of reference, meetings held and attendance of the Committee members, during the financial year 2021 are provided in the Corporate Governance Report.

28. Board Evaluation

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

29. Particulars of Loans, Guarantees or investments

During the year under review, the Company has made no investment under Section 186 of the Companies Act, 2013. Further details of loan, guarantees and investments covered under Section 186 of the Act are provided in the notes to accounts of the financial statements.

30. Related Party Disclosure

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

A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the terms & conditions of the transactions. The policy on Related Party Transactions, as approved by the Board is uploaded on the Company's website at the web link as mentioned in the Corporate Governance Report. Details of particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in form AOC-2 has been enclosed as **Annexure H**.

31. Risk Management

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

DIRECTORS' REPORT

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

32. Annual Return

The Annual Return of the Company as on December 31, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.rsystems.com/investors-info/annual-reports/>.

33. Corporate Social Responsibility

In compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee). During the year under review, there was no change in the composition of the CSR Committee.

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

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

34. Dividend Distribution Policy

The Board of Directors of the Company had approved the dividend distribution policy in line with Regulation 43A of the Listing Regulations. The Policy broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc. The Dividend Distribution policy is available on the Company's website at <https://www.rsystems.com/wp-content/uploads/2021/05/Dividend-Distribution-Policy.pdf>.

35. Internal Control System and Internal Financial Controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditors and the management monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating, accounting procedures and policies at all locations of the Company. Audit observations of Internal Auditors and corrective actions thereon are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of the Company, has audited the financial statements for the financial year ended December 31, 2021 and has issued unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

36. Other Disclosures

During the financial year under review:

- the Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, respectively.
- the Company does not have any stock option plan in force.
- the Company has neither invited nor accepted any deposits from the public within the purview of the Act and the Rules made thereunder, and accordingly no amount on account of principal or interest on public deposits was outstanding as on December 31, 2021.
- the Company has not issued shares with differential voting rights and sweat equity shares.
- no disclosure is required under Section 67 (3) (c) of the Act in respect of voting rights not exercised directly by employees of the Company, as the provisions of the said section are not applicable.
- the Company is not required to maintain Cost records under Section 148(1) of the Act.

- no significant or material orders were passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations.
- no material changes and commitments have occurred after the close of the year till the date of this report which may affect the financial position of the Company.
- during the year under review, there are no proceedings, either filed by the Company or filed against Company, pending under the Insolvency and Bankruptcy Code, 2016, before Hon'ble National Company Law Tribunal or other Court.
- details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund authority during the year 2021 have been provided as part of the Corporate Governance report.

37. Acknowledgments

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

On behalf of the Board For R Systems International Limited

Sd/-

Dr. Satinder Singh Rekhi

(DIN: 00006955)

(Managing Director & Chief Executive Officer)

Place : Singapore

Date : February 18, 2022

Sd/-

Lt. Gen. Baldev Singh (Retd.)

(DIN: 00006966)

(President & Senior Executive Director)

Place : NOIDA

Date : February 18, 2022

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

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

S. No.	Name of the Director	Category	Ratio of the remuneration to the median remuneration of the employees
1.	Dr. Satinder Singh Rekhi	Managing Director & Chief Executive Officer	33.50
2.	Lt. Gen. Baldev Singh (Retd.)	Executive Director	7.99
3.	Mr. Avirag Jain	Executive Director	8.09
4.	Mrs. Ruchica Gupta	Non-Executive Independent Director	N.A.
5.	Mr. Kapil Dhameja	Non-Executive Independent Director	N.A.
6.	Mr. Aditya Wadhwa	Non-Executive Independent Director	N.A.

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

S. No.	Name of the Director/CFO/CEO/CS/Manager	Category	% increase in remuneration in the financial year
1.	Dr. Satinder Singh Rekhi	Managing Director & Chief Executive Officer	(0.92%)
2.	Lt. Gen. Baldev Singh (Retd.)	Executive Director	19.27%
3.	Mr. Avirag Jain	Executive Director	8.97%
4.	Mrs. Ruchica Gupta	Non-Executive Independent Director	N.A.
5.	Mr. Kapil Dhameja	Non-Executive Independent Director	N.A.
6.	Mr. Aditya Wadhwa	Non-Executive Independent Director	N.A.
7.	Mr. Nand Sardana	Chief Financial Officer	(20.36%)
8.	Mr. Bhasker Dubey	Company Secretary & Compliance Officer	15.42%

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

The percentage increase in the median remuneration of the employees in the financial year was 12.73%

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

Number of permanent employees on the rolls of R Systems International Limited as at December 31, 2021 was 2,936.

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration for employees is 12% to 15% (approx.). The average increase in overall managerial remuneration is 0.32%. These increases are a function of the Company's market competitiveness within its comparator group and reflects the Company's reward philosophy as well as the result of the benchmarking exercise.

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

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

On behalf of the Board For R Systems International Limited

Sd/-

Dr. Satinder Singh Rekhi

(DIN: 00006955)

(Managing Director & Chief Executive Officer)

Place: Singapore

Date : February 18, 2022

Sd/-

Lt. Gen. Baldev Singh (Retd.)

(DIN: 00006966)

(President & Senior Executive Director)

Place: NOIDA

Date : February 18, 2022

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Information as per 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended December 31, 2021

Name of the Top 10 employees and employees drawing a remuneration of ₹ 1.02 crore or above per annum or drawing average remuneration of ₹ 8.5 lakhs or above per month.*

a. Employed throughout the year

S. No.	Name	Designation/nature of duties	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross Remuneration (₹)	Previous employment & designation
1	Mandeep Singh Sodhi [§]	Chief Operating Officer - R Systems USA Operations	Bachelors degree in Electronics Engineering from Marathwada University and MBA from University of California, Davis	54	May 14, 1993	29	59,182,982	Sark Synertek Senior Marketing Engineer
2	Dr. Satinder Singh Rekhi	Managing Director & Chief Executive Officer	Bachelor of Technology from IIT, Kharagpur; MBA from California State University, Sacramento; Senior Management programs from University of Berkeley and Harvard Business School	71	May 14, 1993	39	42,129,324	Digital Information Systems Corporation Senior Management Personnel
3	Ramneet Singh Rekhi	President - R Systems	MBA in Finance & Strategy from Carnegie Mellon University, Tepper School of business, and Masters of Arts in Economics from New York University.	38	July 1, 2020	10	13,049,141	R Systems, Inc., USA Vice President

b. Employed part of the year

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

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

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

* Particulars of employees posted and working outside India, not being directors or their relatives, drawing more than Rupees One Crore and Two Lakh per annum or Rupees Eight Lakh and Fifty Thousand per month, as the case may be, have not been included in the above statement. Any shareholder interested in obtaining full statement may write to the Company Secretary.

Notes:

- None of the employee of the Company owns more than 2% of the outstanding shares of the Company as on December 31, 2021 except Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company, who holds 7,403,456 equity shares in the Company being 6.26% of the total paid-up equity share capital of the Company in his own name and 11,702,623 equity shares being 9.89% of the total paid-up equity share capital of the Company jointly with Mrs. Harpreet Rekhi (as a Trustee of The Satinder and Harpreet Rekhi Family Trust) and Mr. Ramneet Singh Rekhi, President- R Systems of the Company, who holds 16,236,331 equity shares in the Company being 13.72% of the total paid-up equity share capital of the Company.
- Nature of employment is contractual in all the above cases.
- The above employees were employed at USA Branch of the Company. The remuneration in USD has been converted into INR using USD / INR exchange rates.

On behalf of the Board
For **R Systems International Limited**

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

Place: Singapore
Date : February 18, 2022

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

Place: NOIDA
Date : February 18, 2022

ANNEXURE 'C' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

2.1 Board Structure

R Systems has an optimum combination of executive and non-executive directors on its Board

The composition of the Board, the number of outside directorship and committee positions held by Directors of the Company as on December 31, 2021 are as follows:

Name of the Director	Category of Director	Designation	Directorships Held of Other Companies*		Committee positions held**	
			Indian Companies	Body Corporates®	Chairperson	Member
Dr. Satinder Singh Rekhi (DIN- 00006955)	Promoter & Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer	0	10 [§]	0	0
Lt. Gen. Baldev Singh (Retd.) (DIN- 00006966)	Executive Director	President & Senior Executive Director	1 [%]	0	0	2
Mr. Avirag Jain (DIN- 00004801)	Executive Director	Director & Chief Technology Officer	1 [%]	0	0	0
Mrs. Ruchica Gupta (DIN- 06912329)	Non- Executive Independent Director	Non-Executive & Independent Director	1 [#]	1	1	1
Mr. Kapil Dhameja (DIN- 02889310)	Non- Executive Independent Director	Non-Executive & Independent Director	1 [#]	0	1	1
Mr. Aditya Wadhwa (DIN- 07556408)	Non- Executive Independent Director	Non-Executive & Independent Director	0	0	0	1

* Excluding directorship in R Systems International Limited.

As at December 31, 2021, Mr. Kapil Dhameja and Mrs. Ruchica Gupta hold directorship in Private Limited Companies.

% As at December 31, 2021, Lt. Gen. Baldev Singh (Retd.) and Mr. Avirag Jain, hold directorship in IBIZ Consultancy Services India Pvt. Ltd., wholly-owned subsidiary of the Company.

of Directors ("Board"). As at financial year ended December 31, 2021, the Board comprised of six directors, i.e. three executive directors out of whom, one is promoter director, designated as Managing Director & Chief Executive Officer (MD & CEO) and three Non-Executive Independent Directors including one Woman Independent Director. In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent from the management of the Company.

The total number of Independent Directors has been at least 50% of the total strength of the Board at all times during the year under review.

None of the directors of the Company is a committee member or a chairperson of any committee in any other company in India. None of the Non-Executive Independent Director of the Company hold any shares in the Company. Necessary disclosures regarding directorship and committee positions in other companies and shareholding as on financial year ended December 31, 2021 have been made by the directors. Except the MD & CEO and the Independent Directors, other directors are liable to retire by rotation as per Articles of Association of the Company and the provisions of the Act.

® Foreign Corporates that are incorporated and having place of business outside India.

§ Includes the offices of CEO, President and Managing Member.

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

The expression 'Independent Director' has the same meaning as defined under Regulation 16 of the Listing Regulations and Section 149 of the Act.

As on the financial year ended on December 31, 2021, out of total six directors, two directors namely, Dr. Satinder Singh Rekhi, MD & CEO and Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director are relatives of each other as latter is former's sister's husband.

2.2 Board Functioning & Procedures

The Board meets at least once a quarter to review the quarterly performance and financial results. Board meetings are generally held at the Corporate Office of the Company in Noida and are governed by a structured agenda. However, due to COVID-19 situation, meetings of the Board of Directors & its committee were majorly held through video conferencing mode. The agenda, along with the explanatory notes are sent to all the directors well in advance of the date of Board meeting to enable the Board to take informed decisions. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman of the meeting. The Chief Financial Officer is invited to the Board meetings to provide

financial insights, status of internal controls in the working of the Company and for discussing corporate strategies. All material information is circulated to the directors before the meeting or is placed at the meeting, including minimum information as required to be made available to the Board under Listing Regulations, which the Board considers and takes on record. During the period under review, the Board has accepted all the recommendations of the Committees.

The minutes of the Board meetings and Committee meetings are circulated to all directors and committee members, respectively, in compliance with the Secretarial Standard-1 issued by the Institute of Company Secretaries of India (ICSI) for their review, consideration and records. The necessary quorum was present at all meetings. The gap between any two consecutive Board meetings did not exceed one hundred and twenty days. The Board periodically reviews compliance reports in respect of laws and regulations applicable to the Company. Following are the details of attendance at the seven Board Meetings held during the financial year ended on December 31, 2021 and the last Annual General Meeting:

Name of the Director	Date of Board Meetings							Annual General Meeting held on May 19, 2021*
	February 16, 2021*	March 09, 2021*	April 20, 2021*	May 07, 2021*	June 18, 2021*	August 06, 2021*	November 02, 2021	
Dr. Satinder Singh Rekhi	A	P	P	A	P	A	ACC	P
Lt. Gen. Baldev Singh (Retd.)	P	P	P	P	P	P	P	P
Mr. Avirag Jain	P	P	P	P	P	P	P	P
Mrs. Ruchica Gupta	P	P	P	P	P	P	P	P
Mr. Kapil Dhameja	P	P	P	P	A	P	P	P
Mr. Aditya Wadhwa	P	A	A	P	P	P	P	P

* Board Meetings held through Video Conferencing as per MCA Rules.

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

Note: P - Present.

A - Absent in the meeting.

ACC - Attended through Tele-Conference (not counted for the purpose of quorum).

ANNEXURE 'C' TO THE DIRECTORS' REPORT

2.3 Code of Conduct

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

The Company has obtained confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended December 31, 2021.

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

CODE OF CONDUCT DECLARATION

I, Satinder Singh Rekhi, Managing Director and Chief Executive Officer of R Systems International Limited, to the best of my knowledge and belief, hereby declare that all the Board members and senior management personnel have affirmed compliance with the Company's Code of Conduct for the year ended December 31, 2021.

Sd/-

Dr. Satinder Singh Rekhi

Place: Singapore (Managing Director & Chief Executive Officer)
Date: February 10, 2022

2.4 Appointment/ Reappointment of Directors

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

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

Lt. Gen. Baldev Singh (Retd.) (DIN: 00006966), aged about 81 years, has more than 55 years of experience, including handling top managerial, diplomatic and human resource development related assignments. Mr. Singh has a Masters in Military Sciences from the prestigious Madras University in India and attended two short courses at University of California at Berkeley, in Strategic Account Management and Marketing. He joined the Board of R Systems on September 01, 1997. As on the date of this report:-

- Lt. Gen. Baldev Singh (Retd.) does not hold any office of director/ member in other company's board/ committee except IBIZ Consultancy Services India Pvt. Ltd., wholly-owned subsidiary of the Company.
- Lt. Gen. Baldev Singh (Retd.) has no outstanding ESOPs under prevailing stock option plans of the Company.
- Lt. Gen. Baldev Singh (Retd.) holds 8,242 equity shares of ₹ 1/- each being 0.01% of the total paid up share capital of the Company.
- Lt. Gen. Baldev Singh (Retd.) is related to Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company.

2.5 Core skills/ expertise/ competencies of the Board

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees.

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

Sr. No.	Category	Description
1	Management and Leadership Skill	Management and leadership experience in practical understanding in business development, processes, strategic planning, risk management etc.
2	Information Technology	Knowledge or experience in information technology business with an ability to foresee technological trends and emerging areas of technology such as digital, artificial intelligence, cloud and cyber security.
3	Strategy and Planning	Strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
4	Functional and managerial experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, human resources, Indian laws, international markets, sales and marketing, and risk management.
5	Governance and Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability and driving corporate ethics and values.

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

Name of the Director	Skills / Expertise / Competencies				
	Management and Leadership Skill	Information Technology	Strategy and Planning	Functional and managerial experience	Governance and Compliance
Dr. Satinder Singh Rekhi	✓	✓	✓	✓	✓
Lt. Gen. Baldev Singh (Retd.)	✓	✓	✓	✓	✓
Mr. Avirag Jain	✓	✓	✓	✓	✓
Mrs. Ruchica Gupta	✓	-	✓	✓	✓
Mr. Kapil Dhameja	✓	-	✓	✓	✓
Mr. Aditya Wadhwa	✓	-	✓	✓	✓

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

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

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

3.1 Audit Committee

R Systems has a qualified and Independent Audit Committee. During the year under review, there was no change in the composition of the Audit Committee.

Composition of the Audit Committee as at December 31, 2021 is as follows:

Name of Member	Category	Chairperson/ Member
Mrs. Ruchica Gupta	Non-Executive Independent Director	Chairperson
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member
Mr. Kapil Dhameja	Non-Executive Independent Director	Member
Mr. Aditya Wadhwa	Non-Executive Independent Director	Member

Details of the attendance at the seven Audit Committee meetings held during the financial year 2021 are as follows:

Name of the Member	Date of Meetings of Audit Committee						
	February 16, 2021*	March 09, 2021*	April 20, 2021*	May 07, 2021*	June 18, 2021*	August 06, 2021*	November 02, 2021
Mrs. Ruchica Gupta	P	P	P	P	P	P	P
Lt. Gen. Baldev Singh (Retd.)	P	P	P	P	P	P	P
Mr. Kapil Dhameja	P	P	P	P	A	P	P
Mr. Aditya Wadhwa	P	A	A	P	P	P	P

* Meeting held through Video Conferencing as per MCA rules.

Note: P - Present.

A - Absent.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

Powers of the Audit Committee

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

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

Terms of reference of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.

- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. To review the utilization of loans and/ or advances from/ investment by the company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
21. To review "Internal Controls to prevent Insider Trading" and shall review compliances with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. To carry any other duties as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder and delegated by the Board of Directors from time to time.

3.2 Nomination and Remuneration Committee

3.2.1 Brief description and terms of reference

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of

directors a policy relating to, the remuneration of the directors, key managerial personnel, senior management personnel and other employees. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommend to the board, all remuneration, in whatever form, payable to senior management;
7. Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
8. To carry any other duties as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder or as may be delegated by the Board of Directors from time to time.

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Composition of the Nomination and Remuneration Committee as at December 31, 2021 is as follows:

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

Details of the attendance at the one Nomination and Remuneration Committee meeting held during the financial year 2021 is as follows:

Name of the Member	Date of Meeting of Nomination and Remuneration Committee
	February 16, 2021*
Mrs. Ruchica Gupta	P
Mr. Kapil Dhameja	P
Mr. Aditya Wadhwa	P

* Meeting held through Video Conferencing as per MCA rules.

Note: P - Present.

3.2.2 PERFORMANCE EVALUATION

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

3.2.3 NOMINATION AND REMUNERATION POLICY

A. INTRODUCTION: This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order inter-alia to pay equitable remuneration to Directors, KMPs, SMPs and other employees of the Company. This policy shall act as guidelines on matters relating to the remuneration, appointment of the Directors, Key Managerial Personnel

and Senior Management Personnel and other employees.

B. APPLICABILITY: The Policy is applicable to:

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

C. DEFINITIONS:

In this policy unless the context otherwise requires

- a) "Act" means Companies Act, 2013 and rules made thereunder, as amended from time to time.
- b) "Company" means R Systems International Limited.
- c) "Board" means Board of Directors of R Systems International Limited.
- d) "Committee" means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.
- e) "Key Managerial Personnel" or "KMP" means Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and such other persons who may be deemed to be KMP under the Companies Act, 2013.

f) "Senior Management Personnel" means officers/ personnel of the Company, who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole Time Director/ Manager (including Chief Executive Officer/ Manager, in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

D. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee shall govern the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel and other employees. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. recommend to the board, all remuneration, in whatever form, payable to senior management;
7. support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
8. To carry any other duties as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and rules made thereunder or as may be delegated by the Board of Directors from time to time.

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

a. General Criteria

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

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

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

ANNEXURE 'C' TO THE DIRECTORS' REPORT

b. Specific Criteria

In addition to the aforesaid, the Nomination and Remuneration Committee may, if it deems fit, advise from time to time, develop specific criteria outlining the qualification, skills, experience, expertise, backgrounds, and other characteristics that should be represented on the Board to enhance its effectiveness. Any such criteria should take into account the particular needs of the Company based on its business, size, ownership, growth objectives, community, customers and other characteristics and should be adjusted as these Company's characteristics evolve.

F. REMUNERATION POLICY

The remuneration policy of the Company reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders and guided by a common reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Act, inter-alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc. Remuneration policy of R Systems is as follows:

a. Executive Directors' Remuneration

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

and retiral benefits. The variable component comprises performance bonus and may include:

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

5. Minimum remuneration to Executive Directors

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

b. Remuneration for Non-Executive Directors

Non-Executive members of the Board shall be entitled for sitting fees for attending the meetings of the Board or committees thereof. The sitting fee will be fixed by the Board of Directors from time to time in accordance with the provisions of the Companies Act, 2013 and other applicable rules and regulations. Non-Executive directors shall not be entitled to any fixed or monthly salary or other remuneration.

c. Remuneration policy for the Key Managerial Personnel, Senior Management Personnel and other employees

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

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

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

iii. the Company shall follow a compensation mix of fixed component and variable component. Fixed Component comprises salaries, perquisites and retirement benefits and a variable component comprises performance bonus and may include:

- o Short-term incentives, based on the achievement of a number of individual, pre-defined financial and strategic business targets.
- o Long-term incentives in the form of stock options, promoting a balance between short-term achievements and long-term thinking, in accordance to various applicable laws.
- o Pension contributions, made in accordance with applicable laws and employment agreements.
- o Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework.

iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs/KPIs, industry benchmark and current compensation trends in the market. The Benchmark information is obtained from recognized compensation service consultancies, whenever required.

The aforesaid policy is available at the website of the Company at the following web link: <https://www.rsystems.com/investors-info/corporate-governance/>.

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3.2.4 Brief terms of employment and details of remuneration paid to the executive directors during the year ended December 31, 2021

(Amount in ₹)

1.	Name of the Director	Dr. Satinder Singh Rekhi
(a)	Salary, benefits and allowances (fixed)	30,979,074
(b)	Incentive (fixed)*	11,150,250
(c)	Stock options granted	Nil
(d)	Pension	As per the applicable policy for employees
(e)	Service contract	5 years
(f)	Notice period	36 months
(g)	Severance fees	Compensation in lieu of notice
(h)	Shareholding in R Systems as on December 31, 2021	7,403,456 equity shares of ₹ 1/- each in his own name and 11,702,623 equity shares of ₹ 1/- each jointly with Mrs. Harpreet Rekhi as a trustee of The Satinder and Harpreet Rekhi Family Trust.

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

(Amount in ₹)

2.	Name of the Director	Lt. Gen. Baldev Singh (Retd.)
(a)	Salary, benefits and allowances (fixed)	6,763,317
(b)	Incentive (fixed)*	2,850,000
(c)	Provident fund	436,320
(d)	Stock options granted	Nil
(e)	Pension	As per the applicable policy for employees
(f)	Service contract	2 years
(g)	Notice period	6 months
(h)	Severance fees	Compensation in lieu of notice
(i)	Shareholding in R Systems as on December 31, 2021	8,242 equity shares of ₹ 1/- each

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

(Amount in ₹)

3.	Name of the Director	Mr. Avirag Jain
(a)	Salary, benefits and allowances (fixed)	5,257,738
(b)	Incentive (fixed)*	4,649,394
(c)	Provident fund	272,052
(d)	Stock options granted	Nil
(e)	Pension	As per the applicable policy for employees
(f)	Service contract	3 years
(g)	Notice period	3 months
(h)	Severance fees	Compensation in lieu of notice
(i)	Shareholding in R Systems as on December 31, 2021	100 equity shares of ₹ 1/- each

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

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

3.2.5 Criteria and details of payment of remuneration to the non-executive directors during the year ended December 31, 2021.

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

The sitting fees paid to the Non-Executive Directors during the year ended December 31, 2021 is as follows:

(Amount in ₹)

S. No.	Name of the Director	Category	Sitting Fees Paid
1.	Mrs. Ruchica Gupta	Non-Executive Independent Director	295,000
2.	Mr. Kapil Dhameja	Non-Executive Independent Director	270,000
3.	Mr. Aditya Wadhwa	Non-Executive Independent Director	245,000
		Total	810,000

As on December 31, 2021, none of the existing Non-Executive and Independent Director of the Company holds any shares, options or any other convertible instruments in the Company.

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

3.3 Compensation Committee

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

Composition of the Compensation Committee:

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

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

3.4 Stakeholders Relationship Committee

As on December 31, 2021, the Stakeholders Relationship Committee of R Systems comprised of three directors, with Non-Executive Independent Director as its Chairperson as per the provisions of Section 178 of the Act and the rules made thereunder and Regulation 20 of the Listing Regulations. Stakeholders' Relationship Committee looks into various aspects of interest of shareholders.

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

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

During the year under review, there was no change in the composition of the Stakeholders Relationship Committee.

Composition of the Stakeholders Relationship Committee as at December 31, 2021 is as follows:

Name of Member	Category	Chairperson/Member
Mr. Kapil Dhameja	Non-Executive Independent Director	Chairperson
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member
Mrs. Ruchica Gupta	Non-Executive Independent Director	Member

Details of the attendance at four meeting of Stakeholders Relationship Committee held during the financial year 2021 are as follows:

Name of the Member	Meeting of Stakeholders Relationship Committee			
	February 16, 2021*	May 07, 2021*	August 06, 2021*	November 02, 2021
Mr. Kapil Dhameja	P	P	P	P
Lt. Gen. Baldev Singh (Retd.)	P	P	P	P
Mrs. Ruchica Gupta	P	P	P	P

* Meeting held through Video Conferencing as per MCA rules.

Note: P-Present.

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

Mr. Bhasker Dubey
Company Secretary & Compliance Officer
C - 40, Sector - 59, Noida (U.P.) 201 307
Tel No.: 0120 - 430 3500
Email: investors@rsystems.com

Shareholders grievances/ complaints received and resolved during the year:

(i)	Number of shareholders' complaints received during the year ended December 31, 2021	01
(ii)	Number of complaints not resolved to the satisfaction of shareholders	Nil
(iii)	Number of pending complaints	Nil

3.5 Corporate Social Responsibility Committee (CSR Committee)

Brief description and terms of reference

At R Systems, it has been our constant endeavour to bring about a positive difference to communities where we exist. Corporate Social Responsibility (CSR) is deeply rooted in our core values. Our CSR activities are planned and well-organized to educate, support and empower less privileged communities and preserve the environment. CSR for us is not merely the means to run our business successfully but the part of our individual responsibilities as global citizens.

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

The CSR Committee of the Company shall:

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

Composition of the Corporate Social Responsibility Committee as at December 31, 2021 is as follows:

Name of the Member	Category	Chairperson/ Member
Mr. Kapil Dhameja	Non-Executive Independent Director	Chairperson
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member
Mrs. Ruchica Gupta	Non-Executive Independent Director	Member

Details of the attendance at four meetings of the CSR Committee held during the financial year 2021 are as follows:

Name of the Member	Meeting of Corporate Social Responsibility Committee			
	February 16, 2021*	April 20, 2021*	May 07, 2021*	November 02, 2021
Mr. Kapil Dhameja	P	P	P	P
Lt. Gen. Baldev Singh (Retd.)	P	P	P	P
Mrs. Ruchica Gupta	P	P	P	P

* Meeting held through Video Conferencing as per MCA rules.

Note: P-Present

3.6 Risk Management Committee

Brief description and terms of reference

In compliance with Regulation 21 of the Listing Regulations, the Risk Management Committee was constituted by the Board w.e.f. May 07, 2021. As on December 31, 2021, the Risk Management Committee of R Systems comprised of three directors, with Non-Executive Independent Director as its Chairperson.

The Risk Management Committee of the Company shall:

- Formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

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- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if required).

Composition of the Risk Management Committee as at December 31, 2021 is as follows:

Name of the Member	Category	Chairperson / Member
Mrs. Ruchica Gupta	Non-Executive Independent Director	Chairperson
Lt. Gen. Baldev Singh (Retd.)	Executive Director	Member
Mr. Kapil Dhameja	Non-Executive Independent Director	Member

Details of the attendance at two meetings of the Risk Management Committee held during the financial year 2021 are as follows:

Name of the Member	Meetings of Risk Management Committee	
	August 06, 2021*	November 02, 2021
Mrs. Ruchica Gupta	P	P
Lt. Gen. Baldev Singh (Retd.)	P	P
Mr. Kapil Dhameja	P	P

* Meeting held through Video Conferencing as per MCA rules.

Note: P-Present

4. Separate Meeting of Independent Directors

As stipulated under the Provisions of the Act and Listing Regulations a separate meeting of the Independent Directors was held on November 02, 2021 to review the performance of Non - Independent Directors and the Board as whole. The Independent Directors reviewed the quality, content and timeliness of the flow of information between the Management, the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

The names of Independent Directors on the Board and their attendance at the meeting of Independent Directors held during the year under review is as follows:

Name of the Director	Category	Meeting held on November 02, 2021
Mrs. Ruchica Gupta	Non-Executive Independent Director	P
Mr. Kapil Dhameja	Non-Executive Independent Director	P
Mr. Aditya Wadhwa	Non-Executive Independent Director	P

Note: P-Present

5. Subsidiary Companies

As at December 31, 2021, the Company has twenty five subsidiaries including step down subsidiaries.

During the year under review, Innovizant LLC, Wholly-owned Step-down Subsidiary of the Company, has been merged with R Systems, Inc., Wholly-owned Subsidiary of the Company w.e.f. August 31, 2021.

During the year under review, name of some of the subsidiaries of the Company has been changed to operationalise various synergies across the group Companies. Please refer Directors Report for further details.

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

During the year under review, in terms of the Listing Regulations and as per the policy for determining Material Subsidiary, R Systems had three material unlisted subsidiary namely R Systems, Inc., R Systems Computaris Europe S.R.L. and R Systems (Singapore) Pte. Ltd. All the material subsidiaries are incorporated and based outside India.

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

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

6. General Body Meetings

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

AGM Date & Time	Venue	Special Resolutions Passed
25 th AGM May 28, 2019 09:00 A.M.	Air Force Auditorium, Subroto Park, New Delhi- 110010	<ul style="list-style-type: none"> Reduction of share capital of the Company.
26 th AGM June 30, 2020 09:00 A.M.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> Continuation of Mr. Satinder Singh Rekhi (DIN: 00006955), as Managing Director of the Company. Re-appointment and remuneration of Mr. Avirag Jain (DIN: 00004801) as Director & Chief Technology Officer.
27 th AGM May 19, 2021 10:00 A.M.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> Approval of the payment of Remuneration to Dr. Satinder Singh Rekhi as Managing Director & Chief Executive Officer of the Company. Re-appointment and remuneration of Lt. Gen. Baldev Singh (Retd.) (DIN: 00006966) as President and Senior Executive Director of the Company. Re-appointment of Mrs. Ruchica Gupta (DIN: 06912329), as Non-Executive Independent Director of the Company. Re-appointment of Mr. Kapil Dhameja (DIN: 02889310), as Non-Executive Independent Director of the Company. Re-appointment of Mr. Aditya Wadhwa (DIN: 07556408), as Non-Executive Independent Director of the Company. Payment of performance bonus to Mr. Avirag Jain, Director & Chief Technology Officer of the Company.

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

6.3 During the year under review, the Company has not passed any resolution through Postal Ballot.

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

ANNEXURE 'C' TO THE DIRECTORS' REPORT

7. Disclosures

7.1 Related Party Transactions

Related Party Transactions are defined as transfer of resources, services or obligations between the company, its subsidiaries and their related parties, regardless of whether a price is charged. As per Listing Regulations, there have been no materially significant related party transactions with Company's subsidiaries, promoters, directors or the management or their relatives or companies controlled by them etc., which may have conflict with the interest of the Company at large.

Details on Related Party Transactions are shown in note number 31 in the standalone and in note number 32 in the consolidated financial results for the financial year ended December 31, 2021.

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

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

7.2 Statutory Compliance, Penalties and Strictures

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

7.3 Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177 of the Act and rules made thereunder and the Listing Regulations, R Systems has in place a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimisation of employees who avail the mechanism and also provides for direct access to the Whistle Blower to the Chairperson of the Audit Committee. We affirm that during the financial year ended December 31, 2021, no employee has been denied access to the Audit Committee. The details of such Whistle Blower policy (also known as Vigil Mechanism) have been available on the website of the Company at the following link: <https://www.rsystems.com/investors-info/corporate-governance/>.

7.4 Risk Management Policy

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

7.5 Familiarization to Independent Directors

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

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

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

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

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

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

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

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

Further, pursuant to Regulation 34 (3) read with Part E of Schedule V of the Listing Regulations a certificate obtained from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [Firm's Registration No. 117366W/W-100018], Statutory Auditors of the Company, certifying compliance with the conditions of Corporate Governance has been annexed with the Directors' Report.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and para C and D of Schedule V of the SEBI of Listing Regulations.

Disclosure with respect to demat suspense account/ unclaimed suspense account is not applicable on the Company as there are no shares which are lying in demat suspense account/ unclaimed suspense account. During the year under review, pursuant to Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 13,209 equity shares to the Demat account of the Investor Education and Protection Fund Authority. As on the date of this report a total of 35,476 equity shares of the Company are lying in the Investor Education and Protection Fund Account.

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

The Board

In compliance with regulation 17 of the Listing Regulations, the Company has an optimum combination of executive and non-executive directors on its Board. However, there is no permanent chairperson of the Board.

Shareholders Rights

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

Modified Opinion in Audit Report

During the period under review, there is no audit qualification in the financial statements. The Company

continues to adopt best practices to ensure unqualified financial statements.

Reporting of Internal Auditor

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

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

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("PoSH"), your Company has a robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Complaints Committee ("ICC") under PoSH. The Committee is composed of internal members and an external member who has extensive experience in the field. During the year ended December 31, 2021, there was one case reported to ICC of sexual harassment, which was investigated by the ICC and was duly resolved.

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

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

7.9 Details of total fees paid to Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [Firm's Registration No. 117366W/W-100018], have been appointed as the Statutory Auditors of the Company. The particulars of payment made to the statutory auditor and all entities in its network for the Financial Year ended December 31, 2021 are as follows:

	(Amount in ₹)
Total Fees paid by the Company for the audit and related services to M/s. Deloitte Haskins & Sells LLP.	5,097,200
Total Fees paid by the Subsidiaries for the audit and related services to M/s. Deloitte Haskins & Sells LLP and all entities in its network.	1,928,492
Other fees paid by the Company and its subsidiaries to M/s. Deloitte Haskins & Sells LLP and to all entities in its network.*	1,925,743

* Including out of pocket expenses.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

8. Means of Communication

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

9. General Shareholder Information

9.1 Annual General Meeting

Date and Time : June 20, 2022 at 9:30 A.M.

Venue : Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM).

9.2 Financial year

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

9.3 Date of Book Closure

June 16, 2022 to June 20, 2022 (both days inclusive).

9.4 Dividend Payment Date - N.A.

9.5 Listing on Stock Exchanges

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

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

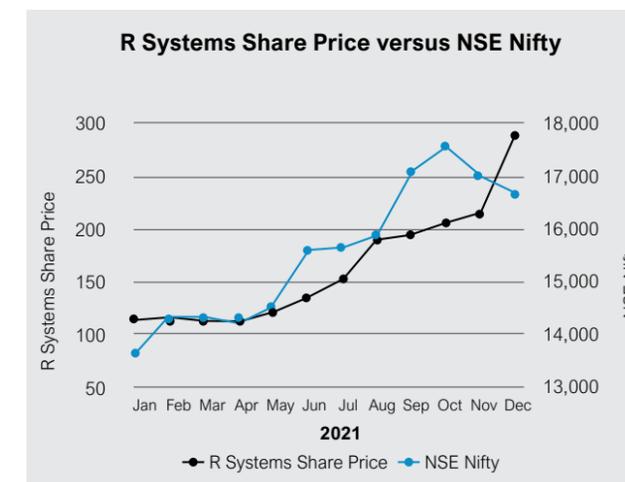
The annual listing fee for the year 2021-22 has been paid within the scheduled time to NSE and BSE. The annual listing fee for the year 2022-23 will become due on March 31, 2022 and will be paid within the scheduled time as prescribed under the provision of Listing Regulations.

9.6 Market Price Data: High, Low during each month in financial year ended December 31, 2021

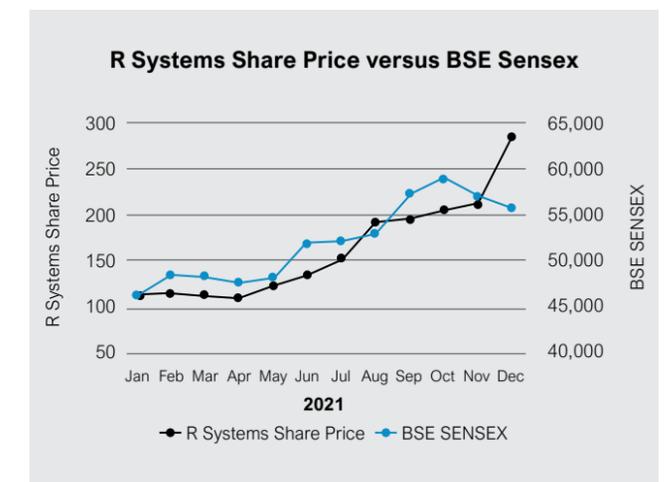
The monthly high and low quotations of R Systems' equity shares traded on NSE and BSE during each month in the financial year ended December 31, 2021, in comparison with NSE Nifty and BSE Sensex, are as follows:

Month	NSE				BSE			
	SHARE PRICE		NIFTY		SHARE PRICE		SENSEX	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
2021								
Jan	123.20	114.60	14,644.70	13,634.60	123.05	114.60	49,792.12	46,285.77
Feb	124.95	114.20	15,314.70	14,281.20	124.75	114.00	52,154.13	48,600.61
Mar	121.95	112.55	15,245.60	14,324.90	121.55	112.55	51,444.65	48,440.12
Apr	117.95	110.80	14,894.90	14,296.40	117.30	110.65	50,029.83	47,705.80
May	150.75	124.05	15,582.80	14,496.50	152.10	123.75	51,937.44	48,253.51
Jun	164.70	133.00	15,869.25	15,574.85	164.50	133.60	52,925.04	51,849.48
Jul	204.95	152.40	15,924.20	15,632.10	205.35	152.85	53,158.85	52,198.51
Aug	211.60	191.20	17,132.20	15,885.15	211.50	191.30	57,552.39	52,950.63
Sep	220.45	194.15	17,855.10	17,076.25	220.40	194.50	60,077.88	57,338.21
Oct	222.60	204.90	18,477.05	17,532.05	222.50	203.45	61,765.59	58,765.58
Nov	320.30	213.35	18,109.45	16,983.20	320.05	212.80	60,718.71	57,064.87
Dec	335.15	285.75	17,516.85	16,614.20	335.95	286.15	58,807.13	55,822.01

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



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



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

ANNEXURE 'C' TO THE DIRECTORS' REPORT

9.7 Registrar and Share Transfer Agent

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

9.8 Share Transfer System

In terms of the Listing Regulations, effective from April 01, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares. However, as per Listing Regulations, w.e.f. January 24, 2022, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Shareholders are advised to dematerialise the shares held by them in physical form.

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

9.9 Transfer of unclaimed dividend to Investor Education and Protection Fund

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

Date of declaration	Dividend for the year	Due date for transfer to IEPF
May 10, 2014	Final 2013	June 9, 2021*
June 3, 2014	1 st Interim Dividend 2014	July 3, 2021*
July 26, 2014	2 nd Interim Dividend 2014	August 25, 2021*
October 29, 2014	3 rd Interim Dividend 2014	November 28, 2021*
December 20, 2014	4 th Interim (Special) Dividend 2014	January 19, 2022*
June 9, 2015	Final 2014	July 9, 2022
April 23, 2015	1 st Interim Dividend 2015	May 23, 2022
August 5, 2015	2 nd Interim (Special) Dividend 2015	September 4, 2022
October 29, 2015	3 rd Interim Dividend 2015	November 28, 2022
May 4, 2018	Interim Dividend 2018	June 3, 2025
December 14, 2019	Interim Dividend 2019	January 13, 2027
June 18, 2021	Interim Dividend 2021	July 18, 2028
November 2, 2021	2 nd Interim Dividend 2021	December 2, 2028

* Unpaid dividend for the financial year ended December 31, 2013, 1st Interim Dividend 2014, 2nd Interim Dividend 2014, 3rd Interim Dividend 2014 and 4th Interim (Special) Dividend 2014 which were declared on May 10, 2014, June 03, 2014, July 26, 2014, October 29, 2014 and December 20, 2014, respectively, has been deposited to the Investor Education and Protection fund on June 14, 2021, July 12, 2021, September 01, 2021, November 30, 2021 and January 24, 2022 i.e. within a period of thirty days of such amounts becoming due to be credited to IEPF.

9.10 Distribution of Shareholding as on December 31, 2021

Shareholding of nominal value of (₹)			Shareholders		Share Capital	
			Number	% to total	Amount in ₹	% to total
1	-	2,500	28,221	98.36	4,649,156	3.93
2,501	-	5,000	231	0.81	858,442	0.73
5,001	-	10,000	101	0.35	723,544	0.61
10,001	-	20,000	62	0.22	871,392	0.74
20,001	-	30,000	16	0.06	400,347	0.34
30,001	-	40,000	18	0.06	632,037	0.53
40,001	-	50,000	6	0.02	274,856	0.23
50,001	-	1,00,000	12	0.04	851,554	0.72
Above	-	1,00,000	24	0.08	109,042,117	92.17
TOTAL			28,691	100.00	118,303,445	100.00

9.11 Category wise Shareholding as on December 31, 2021

Sr. No.	Category of Shareholder	No. of shares	Percentage
(A)	Promoters & Promoter Group		
1	Indian	2,011,822	1.70
2	Foreign	59,118,147	49.97
	Sub Total (A)	61,129,969	51.67
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds/UTI	-	-
(b)	Financial Institutions/Banks	-	-
(c)	Foreign Institutional Investors/ Foreign Portfolio Investors	962,316	0.81
	Sub Total (B)(1)	962,316	0.81
2	Non-institutions		
(a)	Individual shareholders holding nominal share capital up to ₹ 2 lakh	9,220,195	7.79
(b)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	44,687,425	37.77
(c)	Any Other (Clearing Members)	41,664	0.04
(d)	Any Other (Bodies Corporate)	2,226,550	1.88
(e)	Any Other (Investor Education and Protection Fund)	35,326	0.03
	Sub Total (B)(2)	56,211,160	47.51
	Total Public Shareholding (B)(1) + (B)(2) = (B)	57,173,476	48.33
	Grand Total (A+B)	118,303,445	100.00

ANNEXURE 'C' TO THE DIRECTORS' REPORT

9.12 Dematerialisation of shares

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

About 99.81% of the issued and paid up share capital of the Company has been dematerialised up to financial year ended December 31, 2021. The International Securities Identification Number (ISIN) of the Company is INE411H01032. The equity shares of the Company are traded on NSE and BSE throughout the year under review and were not suspended from trading at any time during the year.

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

R Systems has not issued any GDRs/ ADRs. There were no outstanding convertible instruments as on financial year ended December 31, 2021.

9.14 Commodity Price Risk or foreign exchange risk hedging activities

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

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

1.	Noida Offices C - 40 & C - 1, Sector - 59, Noida (U.P.) - 201307 SEZ Units 1 st , 2 nd and 3 rd Floor, Tower 1, Plot No. 21, Sector Techzone IV, Greater Noida West- 201306 (U.P.) India
2.	Chennai Office Plot# NP 1 & 2, Industrial Estate, Sidco Industrial Estate, Guindy, Chennai -600032
3.	U.S.A. Branch Office (1) 5000, Windplay Drive, Suite #5, El Dorado Hills, CA 95762, U.S.A. (2) 101 Metro Drive, Suite # 350, San Jose, California 95110
4.	R Systems Inc. California Office 5000, Windplay Drive, Suite # 5, El Dorado Hills, CA 95762, U.S.A. Chicago Office 1431 Opus Place, Suite # 630, Downers Grove, IL 60515.
5.	R Systems Technologies Ltd. 5000, Windplay Drive, Suite #5, El Dorado Hills, CA 95762, U.S.A
6.	RSYS Technologies Ltd. Vancouver office 1000, Cathedral Place, 925 West Georgia Street, Vancouver BC V6C 3L2, Canada Ontario office 2425 Matheson Blvd East Unit 778, Mississauga, Ontario L4W 5K4, Canada

7.	R Systems Computaris International Limited (Formerly known as Computaris International Limited) Swan House, 9 Queens Road, Brentwood, CM14 4HE, United Kingdom
8.	R Systems Computaris Europe S.R.L. (Formerly known as Computaris Romania SRL) Bucharest Office Tiriac Tower, Str. Buzesti 82-94, 5 th floor, District 1, Bucuresti, 011017, Romania Galati Office 23 Logofat Tautu Str.,800009, Galati, Romania Craiova Office 2 Market Street,Chiriac Market, Dolj, Craiova, Romania Germany Office Rather StraBe 110 a, 40476 Dusseldorf
9.	R Systems Computaris Poland sp z o.o. (Formerly known as Computaris Polska sp z o.o.) Warsaw Office Babka Tower, entrance H, 6 th floor, Al. Jana Pawla II 80, 00-175 Warsaw, Poland Bialystok Office ul. Branickiego 17, 15 -085 Bialystok, Poland
10.	R Systems Computaris S.R.L. (Formerly known as ICS Computaris International Srl) Vlaicu Pircalab Street, No 63, Et. 8, Oficiu B, MD - 2012, Sky Tower Business Center, Chisinau, Republica Moldova
11.	R Systems Computaris Malaysia Sdn. Bhd. (Formerly known as Computaris Malaysia Sdn. Bhd.) Lot. No. 5F-1, 5 th Floor Tower 5, Puchong Financial Corporate Center Jalan Puteri ½, Bandar Puteri, 47100 Puchong, Selangor, Malaysia
12.	R Systems Computaris Philippines Pte. Ltd. Inc. (Formerly known as Computaris Philippines Pte. Ltd. Inc.) Level 16 Tower 6789, 6789, Ayala Avenue, 1206 Makati City, Philippines

13.	R Systems Computaris Suisse Sàrl (Formerly known as Computaris Suisse Sarl) Rue du Trésor 9, c/o Me Madalina Diaconu, Etudes SPLC Avocats & Notaires, 2000 Neuchâtel, Switzerland
14.	R Systems Consulting Services Limited (Formerly Known as ECnet Limited) 16, Jalan Kilang, #04-01 Hoi Hup Building, Singapore - 159 416
15.	R Systems Consulting Services (M) Sdn. Bhd. (Formerly Known as ECnet (M) Sdn. Bhd.) Suite 5F-1, 5 th Floor, Tower 5, Puchong Financial Corporate Centre (PFCC) Jalan Puteri ½, Bandar Puteri, 47100 Puchong Selangor, Malaysia
16.	R Systems Consulting Services (Hong Kong) Limited (Formerly Known as ECnet (Hong Kong) Limited) Rm 2808, 28/F Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong
17.	R Systems Consulting Services (Thailand) Co., Ltd. (Formerly Known as ECnet Systems (Thailand) Company Limited) 2/3 Bangna Tower-A, 2 nd Floor, Room No. 205-206, Moo 14, Bangna-Trad K.M. 6.5, Tambol Bangkaew, Amphoe Bangplee, Samutprakarn Province 10540, Thailand
18.	R Systems Consulting Services Kabushiki Kaisha (Formerly Known as ECnet Kabushiki Kaisha) Housho building 3F-B,15-2 Rokubancho, Chiyoda-ku, Tokyo, Japan, 102-0085
19.	R Systems Consulting Services (Shanghai) Co., Ltd. (Formerly known as ECnet (Shanghai) Co. Ltd.) Rm H, 20 th Floor, Foresight Mansion, No. 768 Xie Tu Rd, Shanghai, People's Republic of China
20.	R Systems (Singapore) Pte Limited #04-01, 16 Jalan Kilang, Hoi Hup Building, Singapore 159416
21.	R Systems IBIZCS Pte. Ltd. (Formerly known as IBIZ Consulting Pte. Ltd.) 2 Jalan Kilang Barat #04-01, Singapore 159346

ANNEXURE 'C' TO THE DIRECTORS' REPORT

22.	IBIZ Consulting Services Pte Ltd. 2 Jalan Kilang Barat #04-01, Singapore 159346
23.	R Systems IBIZCS Sdn. Bhd. (Formerly known as IBIZ Consulting Services Sdn. Bhd.) Suite 5F-1, 5 th Floor, Tower 5, Puchong Financial Corporate Centre (PFCC) Jalan Puteri ½, Bandar Puteri, 47100 Puchong Selangor, Malaysia
24.	PT. RSystems IBIZCS International (Formerly known as PT. IBIZCS Indonesia) Setiabudi Buidling 2, 2 nd Floor, Suite 203, Jl. H.R. Rasuna Said Kav. 62 Jakarta, Selatan 12920, Indonesia
25.	IBIZ Consultancy Services India Private Limited Flat No-1A/6 G/F Devika Tower Nehru Place, New Delhi South Delhi DL 110019
26.	IBIZ Consulting (Thailand) Co Ltd. 2/3 Bangna Tower-A, 2 nd Floor, Room No. 205-206, Moo14, Bangna-Trad K.M.6.5 Road, Bangkaew Sub-district, Bangplee District, Samutprakarn Province, Thailand
27.	IBIZ Consulting Services Limited Units 1901-3, 19/F, Strand 50, 50 Bonham Strand, Sheung Wan, Hong Kong
28.	IBIZ Consulting Services (Shanghai) Co., Ltd Room 1721, 17F, Building A, CCIG International Plaza, No. 331, North Caoxi Road, Xuhui District, Shanghai, People's Republic of China 200030

9.16 Address for correspondence

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

Registrar and Share Transfer Agent
Link Intime India Private Limited

Noble Heights, 1st Floor, Plot NH 2, C-1, Block LSC, Near Savitri Market, Janakpuri, New Delhi – 110058,
Phone: 011 - 414 10592, 93, 94,
Fax : 011 - 414 10591
Email: delhi@linkintime.co.in

For general correspondence:
R Systems International Limited

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

On behalf of the Board
For R Systems International Limited

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

Place: Singapore
Date : February 18, 2022

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

Place: NOIDA
Date : February 18, 2022

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

We, Satinder Singh Rekhi, Managing Director & Chief Executive Officer and Nand Sardana, Chief Financial Officer, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable:
- 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Place: Singapore
Date : February 10, 2022

Sd/-
Nand Sardana
(Chief Financial Officer)

Place: Delhi
Date : February 10, 2022

ANNEXURE 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

**The Members of
R Systems International Limited**
(CIN: L74899DL1993PLC053579)
GF-1-A, 6, Devika Tower,
Nehru Place, New Delhi- 110019.

- That R Systems International Limited (CIN: L74899DL1993PLC053579) is having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- We have examined the relevant disclosures received from the Directors & registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- We have also done examination and verification of the disclosures under section 149, 164, 184 and 189 received from the Directors and Register of Directors and Key Managerial Personnel and their Shareholding under Section 170 of the Companies Act, 2013 (the Act) and DIN status of the Directors at MCA portal i.e. www.mca.gov.in. In our opinion and to the best of our knowledge and on the basis of information furnished to us by the Company and its officers, we certify that none of the below named Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as on December 31, 2021:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Dr. Satinder Singh Rekhi	00006955	14/05/1993
2.	Mr. Baldev Singh	00006966	01/09/1997
3.	Mr. Avirag Jain	00004801	03/08/2017
4.	Ms. Ruchica Gupta	06912329	07/07/2014
5.	Mr. Kapil Dhameja	02889310	29/06/2016
6.	Mr. Aditya Wadhwa	07556408	29/06/2016

- Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification and this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This certificate is based on the information and records available as on December 31, 2021 and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For Sanjay Grover & Associates

Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-

Devesh Kumar Vasisht

Partner

Place: New Delhi
Date : 18.02.2022

CP No.:13700
FCS No. F8488
UDIN.: F008488C0026132

ANNEXURE 'D' TO THE DIRECTORS' REPORT

To

**The Members of
R Systems International Limited**

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

- This certificate is issued in accordance with the terms of our engagement letter dated July 15, 2021.
- We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of R Systems International Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

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

Opinion

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations, as amended from time to time, during the year ended December 31, 2021.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP

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

Sd/-

Jitendra Agarwal

Partner

Place: New Delhi
Date : February 18, 2022

(Membership No. 87104)
UDIN: 22087104ADBHAQ8759

ANNEXURE 'E' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS



Overview

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

A. Industry Structure and Developments

The world has theatrically changed over the last two years, with the pandemic impacting every aspect of our lives. The new innovative world is now unleashing the wave of digitisation, agility, and breakthroughs. From accelerated

digitisation to the virtualisation of businesses, enterprises have been transformed with innovations and the introduction of next-gen solutions.

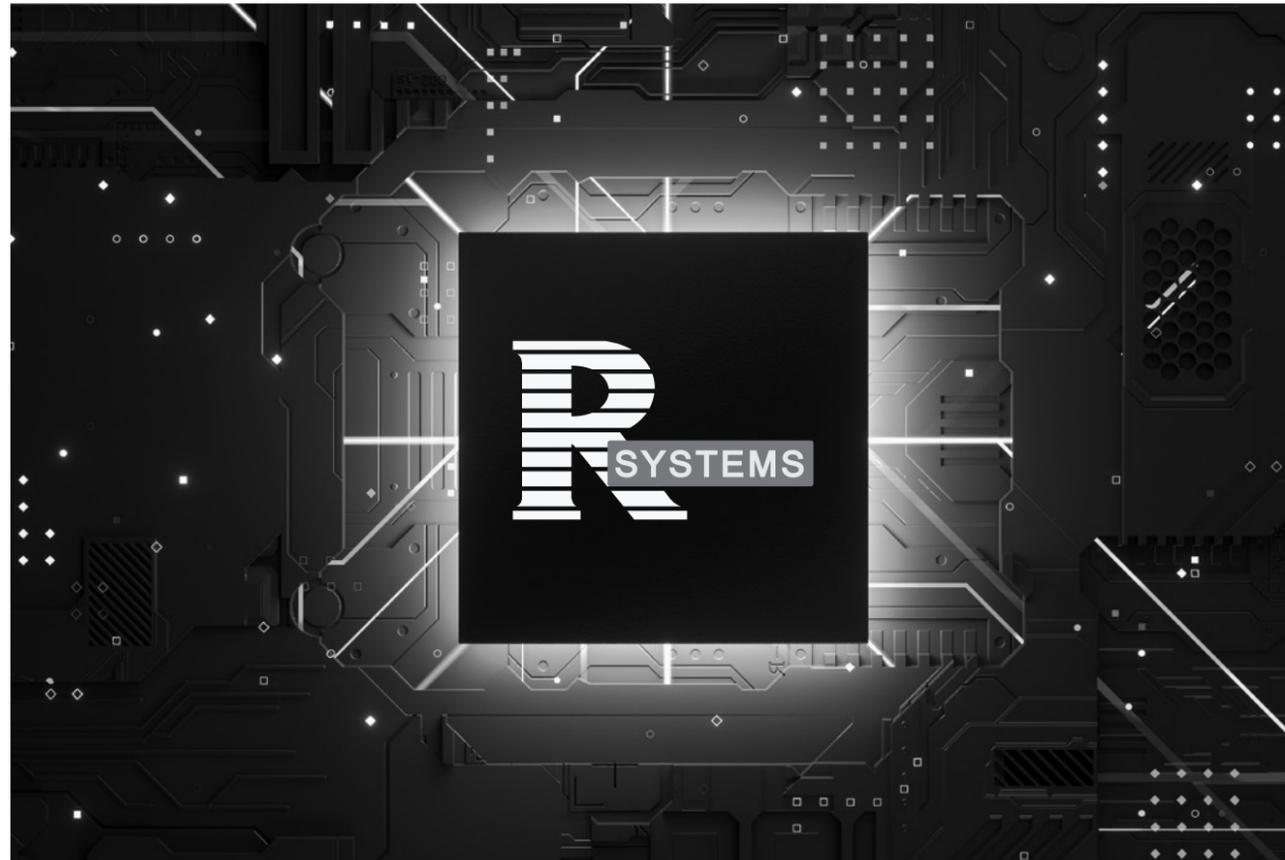
With rapidly maturing modern technologies, such as Artificial Intelligence, Machine Learning and Robotics, technology companies can now redesign the value propositions of existing services and solutions with renewed business models to create a competitive edge. As a result, they can help their customers scale operations, enterprise collaboration and increase productivity at a rate never experienced before.

We will now witness rapid development in the IT industry and progress in enterprises, diving into the next wave of digital transformation, utilising technologies and resources to their full potential. There lies a prime opportunity for businesses across sectors to capitalise on these disruptive technologies to generate actionable business insights that can create a vast difference in their business outcome.



We will now witness rapid development in the IT industry and progress in enterprises, diving into the next wave of digital transformation, utilising technologies and resources to their full potential.

ANNEXURE 'E' TO THE DIRECTORS' REPORT



B. Company Overview

R Systems International Limited (the 'Company' or 'the Parent Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956, having its registered office at New Delhi. Its shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Group is a leading global provider of

technology, artificial intelligence, RPA services and solutions, along with knowledge services. The Group delivers its services and solutions to leading technology companies and businesses to enable their digital transformation. The Group's services and solutions span over five major business verticals: Technology, Telecom, Healthcare and Life Science, Finance and Insurance, Retail and e-commerce.

The Company has the following subsidiaries:

Subsidiary	Holding as of December 31, 2021	Holding as of December 31, 2020	Country of incorporation and other particulars
R Systems, Inc., USA	100%	100%	A company registered under the laws of California, USA, in 1993 and a subsidiary of the Company since January 2, 2001.
R Systems (Singapore) Pte Limited, Singapore	100%	100%	A company registered under the laws of Singapore in 1997 and a subsidiary of the Company since September 19, 2000.
R Systems Technologies Limited, USA	100%	100%	A company registered under the laws of Delaware, USA, in 1996 and a subsidiary of the Company since April 1, 2002.
R Systems Consulting Services Limited, Singapore	99.75%	99.75%	A company registered under the laws of Singapore in 1996. The Company acquired the majority share on January 8, 2004. R Systems Consulting Services Limited, Singapore has subsidiaries in Malaysia, Thailand, China, Hong Kong and Japan. The shareholding by the Company and R Systems (Singapore) Pte Limited is 69.37% and 30.38%, respectively.
R Systems Computaris International Limited, UK	100%	100%	A company registered under the laws of the U.K. in 2006. The Company acquired the entire share on January 26, 2011. R Systems Computaris International Limited, U.K., has subsidiaries in Romania, Poland, Moldova, Malaysia, Switzerland and the Philippines.
RSYS Technologies Ltd., Canada	100%	100%	A company registered under the laws of Canada in 2012 and a subsidiary of the Company since October 29, 2012.
IBIZ Consultancy Services India Private Limited, India	100%	100%	A company registered under the laws of India in 2008 and a subsidiary of the Company since April 30, 2015.

R Systems Inc., USA held 100% membership interest in Innovizant, LLC w.e.f. January 1, 2019. Effective August 31, 2021, Innovizant, LLC merged with R Systems Inc.

ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

Name	Holding as of December 31, 2021	Holding as of December 31, 2020	Country of incorporation
R Systems Consulting Services (M) Sdn. Bhd.	100 %	100 %	Malaysia
R Systems Consulting Services (Thailand) Co., Ltd.	100 %	100 %	Thailand
R Systems Consulting Services (Shanghai) Co., Ltd.	100 %	100 %	People's Republic of China
R Systems Consulting Services (Hong Kong) Ltd.	100 %	100 %	Hong Kong
R Systems Consulting Services Kabushiki Kaisha	100 %	100 %	Japan

R Systems Computaris International Limited, U.K., has the following wholly-owned subsidiaries:

Name	Holding as of December 31, 2021	Holding as of December 31, 2020	Country of incorporation
R Systems Computaris Europe SRL	100 %	100 %	Romania
R Systems Computaris Poland sp z o.o	100 %	100 %	Poland
R Systems Computaris S.R.L	100 %	100 %	Moldova
R Systems Computaris Malaysia Sdn. Bhd.	100 %	100 %	Malaysia
R Systems Computaris Philippines Pte. Ltd. Inc.	100 %	100 %	Philippines
R Systems Computaris Suisse Sarl, Switzerland	100 %	100 %	Switzerland

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

Name	Holding as of December 31, 2021	Holding as of December 31, 2020	Country of incorporation
IBIZ Consulting Services Pte Ltd	100 %	100 %	Singapore
R Systems IBIZCS Sdn. Bhd.	100 %	100 %	Malaysia
PT. R Systems IBIZCS International	100 %	100 %	Indonesia
IBIZ Consulting (Thailand) Co. Ltd.	100 %	100 %	Thailand
IBIZ Consulting Service Limited (IBIZ HK)	100 %	100 %	Hong Kong
IBIZ Consulting Service Shanghai Co., Ltd	100% by IBIZ HK	100% by IBIZ HK	People's Republic of China



ANNEXURE 'E' TO THE DIRECTORS' REPORT

C. Opportunities and Threats

As per the Markets and Markets study, the digital transformation market size to grow from USD 521.5 billion in 2021 to USD 1247.5 billion by 2026, at a CAGR of 19.1% during the forecast period. Artificial intelligence, machine learning, cloud computing and big data are the major enabling technologies supporting a solid growth rate of the digital transformation market.

R Systems has continued to invest in sales, pre-sales, and newer technologies to unleash next-gen digital evolution. Digital transformation is forcing customers to change their business models and adapt to the new market reality. R Systems is helping them to navigate their journey of successful digital transformations. Therefore, At R Systems, we have structured and positioned ourselves to partner with global ISVs and enterprise customers to speed up their transformation journey.

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

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

D. Segment-wise and Product-wise Performance

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

E. Performance and Outlook

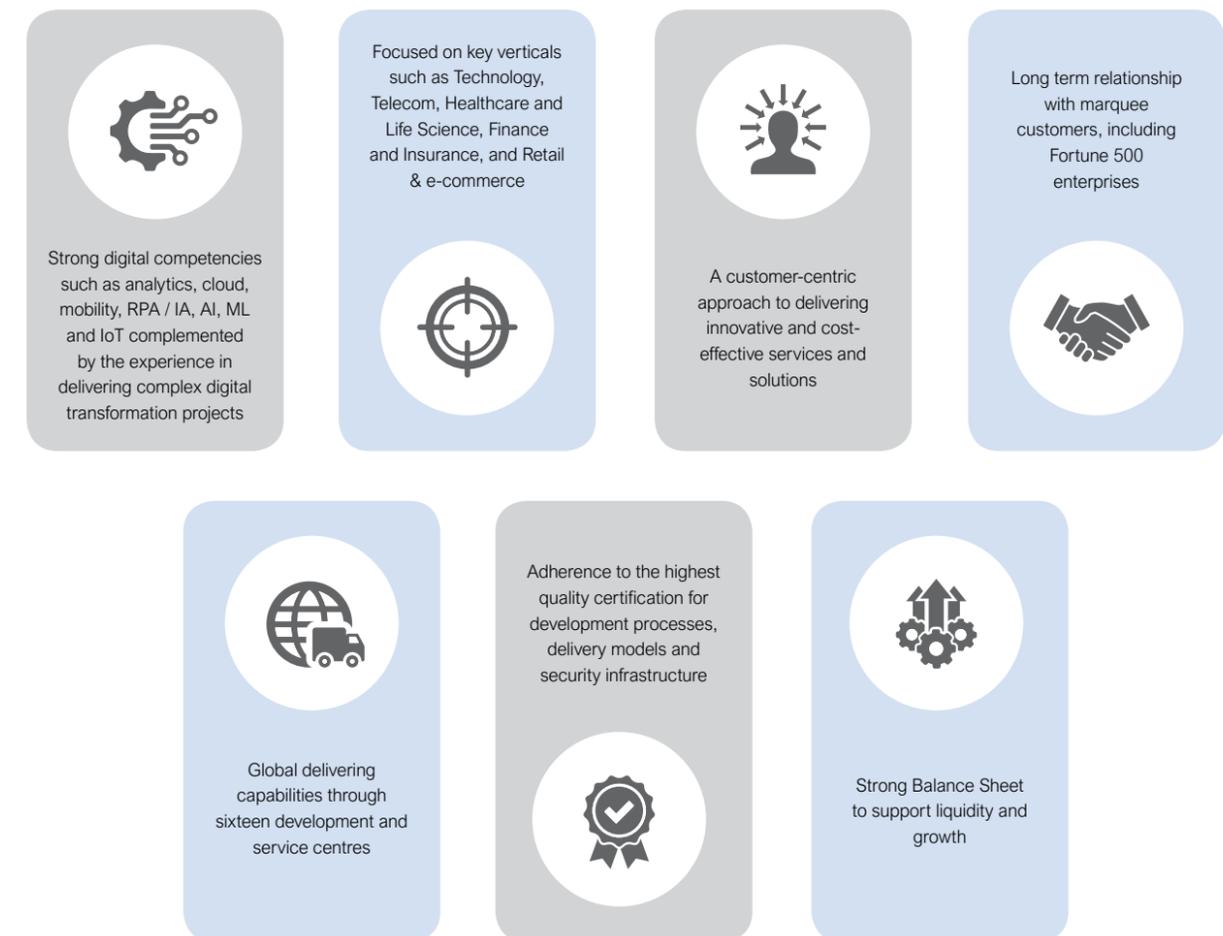
R Systems reported consolidated revenue of ₹ 11,556.39 million during the year 2021 as against revenue of ₹ 8,805.91 million during the year 2020. The revenue grew by 31.23% during the year 2021.

Consolidated Profit after tax during the year 2021 was ₹ 1,414.36 million as against net Profit for the year 2020 of ₹ 817.99 million.

The basic earnings per share (based on the consolidated financial statement) during the year 2021 was ₹ 11.85 per share as against ₹ 6.84 per share in year 2020 of the face value of ₹ 1 each.

R Systems maintains a solid financial position with shareholder funds of ₹ 4,602.96 million, including net cash and bank balance of ₹ 2,774.47 million as of December 31, 2021, to invest towards the future growth of the business.

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



R Systems has continued to invest in sales, pre-sales, and newer technologies to unleash next-gen digital evolution.

ANNEXURE 'E' TO THE DIRECTORS' REPORT



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

F. Risk and Concerns

At R Systems, risk management is a dynamic process with an attempt to constantly identify all the emerging risks and propose solutions to manage them meticulously. This is further explained in detail in Risk Management Report.

G. Internal Control Systems and Their Adequacy

Internal control systems are a set of policies, processes and procedures put in place to help achieve the strategic objectives of an organisation. The Company's Internal Control System is commensurate with the size, scale and complexity of its operations. It has been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation

and ensuring compliance with corporate policies. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. Internal teams test identified vital controls at regular intervals to ensure their existence and operating effectiveness. Further, the internal auditors also perform an independent check of the effectiveness of key controls in identified areas of internal financial control reporting. The Statutory Auditor's Report also includes an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

At R Systems, we identify our associates as our most valued assets, and we recognise their commitment to the growth journey of our organisation. It is critical to attract, develop, deploy, and retain talent in the IT and ITES industry. Therefore, R Systems has also defined

and implemented a people management initiative, in line with the industry best practices and the People Capability Maturity Model (People CMM). It effectively manages the life cycle to ensure that individuals are committed to the broader organisational goals and show pro-activeness at the workplace.

As of FY2021, R Systems has a talent pool of 4,035 associates, including 487 sales and support associates.

4,035
Total associates

487
Sales and support associates



ANNEXURE 'E' TO THE DIRECTORS' REPORT

I. Discussion on financial performance with respect to operational performance

Financial Position as of December 31, 2021

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

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

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Property, plant and equipment (net)	583.58	471.67	433.72	359.14
Right-to-use assets	528.30	470.42	329.74	364.74
Intangible assets				
- Goodwill on Consolidation	97.54	97.24	-	-
- Other intangible assets (net)	39.19	49.12	2.08	3.97
Capital work in progress	-	0.21	-	-
Total	1,248.61	1,088.66	765.54	727.85

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

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Property, plant and equipment	274.12	205.34	186.27	140.59
Right-to-use assets	186.47	224.16	-	167.01
Intangible assets				
- Goodwill	1.03	-	-	-
- Other intangible assets	9.66	7.52	0.09	5.08

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

2. Investment Property

Investment Property represents the land and building in Pune which have been given on lease. Investment Property value (net) as of December 31, 2021, was ₹ 18.90 million as against ₹ 20.37 million as of December 31, 2020.

3. Non-Current Investment

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Investment in subsidiaries	-	-	1,034.28	1,023.50
Other investment	0.03	0.03	0.03	0.03
Total	0.03	0.03	1,034.31	1,023.53

The Company has reversed the provision recorded in earlier years towards diminution in the value of investment amounting to Rs.10.78 million for one of its subsidiaries in the USA, considering its net worth exceeds the investment amount and its future business plan.

4. Other Non-Current Financial Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Security deposits	40.79	32.72	19.74	15.75
Margin money deposits	47.68	46.05	29.04	25.16
Interest accrued on bank deposits	0.10	0.75	0.10	0.75
Staff advance	0.07	0.01	0.07	0.01
Total	88.64	79.53	48.95	41.67

5. Deferred Tax Liability/Assets (Net)

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

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

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Deferred Tax Assets (net)	174.08	133.44	132.46	89.07

6. Income Tax Assets/Liability

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

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Income tax assets (net)	22.59	67.13	10.57	32.17
Income tax liability (net)	65.45	67.14	27.96	47.78

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

7. Other Non-Current Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Capital advances	4.97	-	4.97	-
Prepaid expenses	7.81	18.84	5.35	18.48
Total	12.78	18.84	10.32	18.48

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

ANNEXURE 'E' TO THE DIRECTORS' REPORT

8. Current Investments

Current investments as of December 31, 2021, were ₹ 132.25 million as against ₹ 128.02 million as of December 31, 2020, represent the surplus fund invested in Debt Liquid Mutual Fund to optimise the net tax yield based on the treasury management policy.

9. Trade Receivables

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Trade receivables (gross)	1,798.78	1,341.47	845.20	665.86
Less : Allowance for doubtful debts (expected credit loss allowance)	19.02	28.93	6.02	7.66
Trade receivables (net)	1,779.76	1,312.54	839.18	658.20

10. Cash and Bank Balance

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

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Cash and cash equivalents				
Cash on hand	1.21	1.07	0.55	0.51
Balances with scheduled banks	466.79	681.34	434.91	654.74
Balances with other banks	1,575.68	1,453.43	186.63	60.23
Cash and cash equivalents (A)	2,043.68	2,135.84	622.09	715.48
Other bank balances				
Deposit with an original maturity of more than 3 months but less than 12 months	234.17	368.48	234.17	283.35
Balances in unclaimed dividend account	1.82	2.14	1.82	2.14
Other bank balances (B)	235.99	370.62	235.99	285.49
Total Cash and Bank Balance (A+B)	2,279.67	2,506.46	858.08	1,000.97

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

11. Other Current Financial Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Staff advance	6.04	8.85	3.18	1.80
Recoverable from related parties	-	-	2.24	0.68
Unbilled revenue other than from fixed bid contract	461.83	162.55	337.83	99.66
Securities deposit	5.91	11.20	4.79	5.89
Bank deposits with original maturity of more than 12 months	337.76	626.36	337.76	591.28
Mark-to-market gain on derivative instruments	51.81	54.66	51.81	54.66
Interest accrued on bank deposits	6.89	8.95	6.90	7.88
Others	29.65	16.94	11.43	6.84
Total	899.89	889.51	755.94	768.69

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

12. Other Current Assets

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Balances with indirect tax authorities	36.86	44.00	36.79	43.59
VAT recoverable	2.20	7.15	-	-
Unbilled revenue from fixed bid contract	66.74	59.59	0.12	1.25
Prepaid expenses	150.82	130.33	101.89	78.08
Advance to vendors	9.17	10.51	7.73	3.62
Tour and travel advance	0.33	0.04	0.33	0.04
Total	266.12	251.62	146.86	126.58

13. Share Capital

The Company's authorised share capital is ₹ 206 million as of December 31, 2021, and December 31, 2020. The Company's issued, subscribed and paid-up capital as of December 31, 2021, and December 31, 2020, is Rs.118.31 million and ₹ 119.64 million, respectively.

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

14. Other Equity

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Reserve and Surplus				
Securities premium account	-	46.66	-	46.66
Capital reserve under common control	(0.34)	(0.34)	(0.34)	(0.34)
Capital reserve other	0.03	0.03	-	-
Capital redemption reserve	5.02	3.69	5.02	3.69
General Reserve	-	155.04	-	155.04
Retained earnings	4,175.27	3,606.67	3,427.74	3,116.03
Other Comprehensive Income				
Re-measurement of defined benefit plans	(11.09)	(11.98)	(11.09)	(11.98)
Foreign currency translation reserve	315.76	348.84	-	0.18
Total Other Equity	4,484.65	4,148.61	3,421.33	3,309.28

During the year ended December 31, 2021, the Company bought back 1,333,000 equity shares of ₹ 1 each at a price of ₹ 225/- per equity share, payable in cash for a total consideration of ₹ 299.93 million by utilising the securities premium account of ₹ 46.66 million, a general reserve of ₹ 155.04 million and retained earnings to the extent of 96.90 million. The capital redemption reserve was created out of retained earnings for ₹ 1.33 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on October 14, 2021. Further, the Company has apportioned ₹ 69.87 million out of retained earnings towards tax on aforesaid buy-back.

The Company has paid the first interim dividend of ₹ 2.5/- per equity share of face value of ₹ 1/-each on July 14, 2021.

The Company has paid a second interim dividend of ₹ 3.20/- per equity share of face value of ₹ 1/- each on November 26, 2021.

ANNEXURE 'E' TO THE DIRECTORS' REPORT

15. Non-Controlling Interest

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

16. Borrowings (Non-Current portion)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Term loans				
- Motor vehicles Loan from non-banking financial corporation (secured)	10.61	8.12	10.61	8.12
- PPP forgivable Loan	-	222.05	-	31.76
	10.61	230.17	10.61	39.88
Less : Current maturity disclosed under other current liabilities	4.15	146.55	4.15	24.64
Total	6.46	83.62	6.46	15.24

In the year ended December 31, 2020, the Company and its US subsidiaries had obtained a forgivable loan of ₹ 222.05 mn (USD 3.01 mn) under the Paycheck Protection Program (PPP) by the Small Business Administration, United States of America ("SBA").

During the year ended December 31, 2021, the Company and its US subsidiaries received the forgiveness of the entire loan amount upon satisfaction of the underlying conditions. Consequently, the amount of loan forgiven was recognised as other income.

17. Other Non-Current Financial Liabilities

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Contingent consideration for business acquisition	-	44.27	-	-
Security deposit	3.45	2.42	3.45	2.42
Lease liabilities	480.83	425.36	345.51	359.88
Total	484.28	472.05	348.96	362.30

18. Provisions (Long Term)

Long-term provisions represent the Provision towards the gratuity liability due after 12 months from the reporting date based on actuarial valuation. The Provision amounts to ₹ 193.98 million as of December 31, 2021, as against ₹ 174.94 million as of December 31, 2020.

19. Trade Payables

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Trade Payable	360.82	216.53	69.78	38.86

20. Other Current Financial Liabilities

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Current maturities of term loans:				
- Motor vehicle loan	4.15	4.30	4.15	4.30
- PPP forgivable loan	-	142.25	-	20.34
Payable to subsidiary company	-	-	30.03	20.79
Security deposits received	10.78	10.13	10.78	10.14
Lease liabilities	85.87	62.80	14.40	15.62
Investor education and protection fund (not due) - Unclaimed dividend	1.82	2.14	1.82	2.14

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Employee benefits payable	323.03	225.23	203.14	151.00
Capital creditors	3.64	3.92	3.64	3.92
Contingent consideration for business acquisition	49.72	-	-	-
Advance from Customer	8.89	5.44	2.47	-
JSS benefit payable *	4.67	26.50	-	-
Other financial liabilities	11.40	8.65	3.39	4.70
Total	503.97	491.36	273.82	232.95

* This represents the Job Support Scheme (JSS) benefit received in Singapore for IT consulting operations. As per the scheme, this amount is either required to be passed to end customers or returned to the Government. The balance as of December 31, 2021, represents the amount payable to the Government.

21. Provisions (Short Term)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Provision for employee benefits				
-Gratuity	9.69	5.07	9.69	5.07
-Compensated absences	244.26	218.94	148.03	123.88
Total	253.95	224.01	157.72	128.95

22. Other Current Liabilities

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Statutory dues payable				
Tax deducted at source / Withholding tax payable	38.12	26.53	30.93	19.83
PF / 401 K / other payables	76.18	62.29	27.50	21.01
GST / Sales tax / VAT payable	30.14	33.45	4.73	3.47
Others	0.54	0.43	0.53	0.43
Unearned revenues	306.47	360.46	71.35	160.92
Deferred grant from Government	-	15.09	-	-
Total	451.45	498.25	135.04	205.66

23. Liquidity

The consolidated cash and cash equivalents as of December 31, 2021, were ₹ 2,043.68 million as against ₹ 2,135.84 million as of December 31, 2020.

Net cash generated from operating activities was ₹ 873.15 million for the year ended December 31, 2021, compared to ₹ 1,253.92 million for the year ended December 31, 2020.

Cash inflow from investing activities was ₹ 211.89 million for the year ended December 31, 2021, and

mainly comprised proceeds from long term deposits with bank of ₹ 421.93 million (net), interest income of ₹ 67.81 million as offset by the purchase of property, plant and equipment of ₹ 278.96 million.

Cash used in financing activities was ₹ 1,159.17 million for the year ended December 31, 2021, and mainly comprised of payment of an interim dividend of ₹ 677.66 million, Buy-back of equity shares (including tax) of ₹ 369.80 million and payment of lease liabilities of ₹ 107.01 million.

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

R Systems has taken credit facilities (fund based as well as non-fund based) from Axis Bank Limited and ICICI Bank Limited. As of December 31, 2021, the total credit balance was nil under fund based line of credit. Further, borrowings as of December 31, 2021, represent a loan taken for motor vehicles amounting to ₹ 10.61 million.



Analysis and Discussions of Operating Performance for the Year Ended December 31, 2021

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

Consolidated Statement of Profit and Loss for the year:

Particulars	(₹ in million)				
	2021	% of Total Income	2020	% of Total Income	Change %
Income					
Revenue from operations	11,556.39	96.50	8,805.91	98.56	31.23
Other income	418.96	3.50	129.00	1.44	224.78
Total income	11,975.35	100.00	8,934.91	100.00	34.03
Expenses					
Employee benefits expense	7,798.25	65.12	6,116.27	68.45	27.50
Finance costs	49.12	0.41	56.66	0.63	(13.31)
Depreciation and amortisation expense	276.93	2.31	256.04	2.87	8.16
Other expenses	2,150.33	17.96	1,525.08	17.07	41.00
Total expenses	10,274.63	85.80	7,954.05	89.02	29.17
Profit before tax and exceptional items	1,700.72	14.20	980.86	10.98	73.39
Exceptional Items	-	-	18.65	1.00	(100.00)
Profit before tax	1,700.72	14.20	962.21	10.77	76.75
Tax expense	286.36	2.39	144.22	1.61	98.56
Net Profit for the year	1,414.36	11.81	817.99	9.15	72.91
Other comprehensive income / (loss)	(32.19)	(0.27)	75.92	0.85	(142.40)
Total comprehensive income for the year	1,382.17	11.54	893.91	10.00	54.62

Standalone Statement of Profit and Loss for the year:

Particulars	(₹ in million)				
	2021	% of Total Income	2020	% of Total Income	Change %
Income					
Revenue from operations	5,775.01	92.51	4,387.15	97.21	31.63
Other income	467.27	7.49	125.93	2.79	271.06
Total income	6,242.28	100.00	4,513.08	100.00	38.32
Expenses					
Employee benefits expense	3,969.88	63.60	2,972.00	65.85	33.58
Finance costs	38.26	0.61	37.02	0.82	3.35
Depreciation and amortisation expense	146.49	2.35	134.61	2.98	8.83
Other expenses	728.72	11.68	553.65	12.27	31.62
Total expenses	4,883.35	78.23	3,697.28	81.92	32.08
Profit before tax	1,358.93	21.77	815.80	18.08	66.58
Tax expense	201.46	3.23	118.73	2.63	69.68
Net Profit for the year	1,157.47	18.54	697.07	15.45	66.05
Other comprehensive income / (loss)	0.71	0.01	(11.01)	(0.24)	(106.45)
Total comprehensive income for the year	1,158.18	18.56	686.06	15.20	68.82

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Revenue

1.1 Revenue from Operations

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

1.1.1 Based on Consolidated Financial Statement

(₹ in million)

Particulars	Year ended December 31, 2021	%	Year ended December 31, 2020	%	change %
Information technology services	10,753.43	93.05	8,144.49	92.49	32.03
Business process outsourcing services	802.96	6.95	661.42	7.51	21.40
Total	11,556.39	100.00	8,805.91	100.00	31.23

1.1.2 Based on Standalone Financial Statement

(₹ in million)

Particulars	Year ended December 31, 2021	% of Total Income	Year ended December 31, 2020	%	change %
Information technology services	4,947.04	85.66	3,700.67	84.35	33.68
Business process outsourcing services	827.97	14.34	686.48	15.65	20.61
Total	5,775.01	100.00	4,387.15	100.00	31.63

1.1.3 Consolidated Revenue by Geography

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

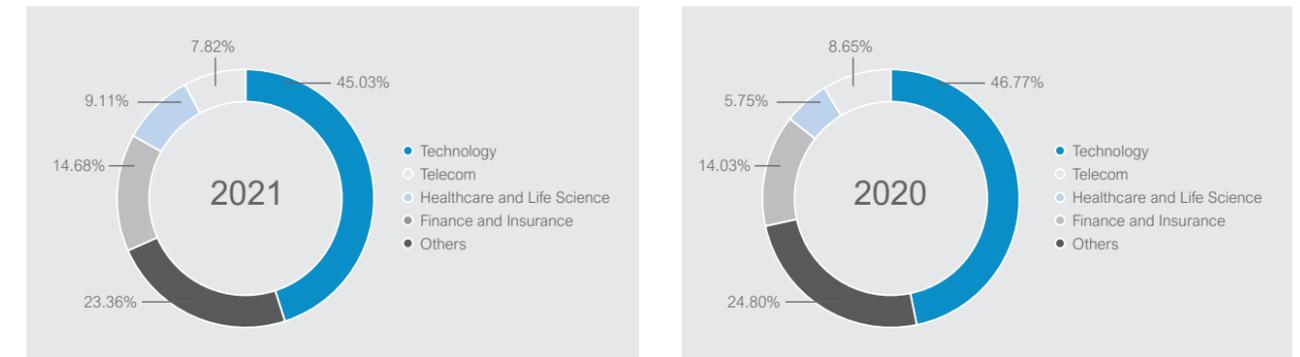
	Year ended December 31, 2021	Year ended December 31, 2020
North America	68.86%	68.02%
Europe	13.52%	13.22%
SEAC	14.55%	16.25%
India	2.30%	1.58%
Others	0.77%	0.93%
	100.00%	100.00%

1.1.4 Consolidated Revenue by Client Concentration

The breakdown of R Systems' consolidated revenue on the basis of client concentration for the year ended December 31, 2021, and 2020 is as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Top 10 Clients	24.19%	28.48%
Top 5 Clients	16.44%	18.96%
Top 3 Clients	12.33%	14.06%
Largest Client	7.14%	7.68%

Consolidated Revenue by Customer industry type



*Graph not to scale

1.2 Other Income

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Interest income	66.85	53.20	64.29	47.35
Dividend From subsidiary companies	-	-	238.88	-
Forgiveness of PPP Loan	224.04	-	31.76	-
Rental income from investment property	6.72	6.44	6.72	6.44
Foreign exchange fluctuation (net)	87.54	33.30	96.39	47.22
Reversal of Provision for doubtful debts (net)	4.82	-	0.04	-
Lease rent concession	15.11	15.51	13.12	11.97
Profit on sale of property, plant and equipment (net)	-	-	-	0.04
Profit on cancellation of leases (net)	-	2.32	-	-
Net gain arising on financial assets measured at FVTPL	4.23	12.43	4.23	12.43
Reversal of Provision for diminishing value of investments	-	-	10.78	-
Miscellaneous income	9.65	5.80	1.06	0.48
Total other income	418.96	129.00	467.27	125.93

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Expenditures

2.1 Personnel Expenses

Personnel expenses primarily consist of salaries, bonuses, commissions, provision for compensated absences, gratuity benefits, contribution towards provident and other funds, employee share-based payments expense and staff welfare expenses.

2.1.1 Based on Consolidated Financial Statement:

(₹ in million)

Particulars	Year ended December 31, 2021		Year ended December 31, 2020		change %
	Amount	%	Amount	%	
Salaries, wages and bonus	7,202.06	60.14	5,640.27	63.13	27.69
Gratuity expenses	39.48	0.33	31.63	0.35	24.82
Contribution to provident and other funds	363.44	3.03	285.25	3.19	27.41
Employees' share based payments expense	-	-	0.15	0.00	(100.00)
Staff welfare expenses	193.27	1.61	158.97	1.78	21.58
Total	7,798.25	65.12	6,116.27	68.45	27.50

2.1.2 Based on Standalone Financial Statement:

(₹ in million)

Particulars	Year ended December 31, 2021		Year ended December 31, 2020		change %
	Amount	%	Amount	%	
Salaries, wages and bonus	3,714.72	59.51	2,775.18	61.49	33.86
Gratuity expenses	39.48	0.63	31.63	0.70	24.82
Contribution to provident and other funds	136.96	2.19	103.30	2.29	32.58
Employees' share based payments expense	-	-	0.15	0.00	(100.00)
Staff welfare expenses	78.72	1.26	61.74	1.37	27.50
Total	3,969.88	63.60	2,972.00	65.85	33.58

2.2 Finance cost (Interest expenses)

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
On term loan	1.47	2.76	0.73	1.20
On lease liabilities	40.95	41.37	35.48	35.78
On fair value of contingent consideration	4.65	12.49	-	-
On income tax	2.05	0.04	2.05	0.04
Total	49.12	56.66	38.26	37.02

2.3 Depreciation and Amortisation Expense

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Depreciation of property, plant and equipment	153.48	118.34	108.05	86.65
Depreciation on right-of-use assets	102.00	112.19	35.00	44.27
Depreciation of investment property	1.47	1.47	1.47	1.47
Amortisation of intangible assets	19.98	24.04	1.97	2.22
Total Depreciation and Amortisation	276.93	256.04	146.49	134.61
% of Total income	2.31	2.87	2.35	2.98

2.4 Operational and other expenses

Operational and other expenses include power and fuel, expenses on travelling and conveyance, software subscription charges, short term lease rent, commission, communication, legal and professional expenses including sub-contractors costs, cost of third party items, audit fees, Provision for doubtful debts (net), advance written off, contributions towards corporate social responsibility and other miscellaneous items.

2.4.1 Based on Consolidated Financial Statement:

(₹ in million)

Particulars	Year ended December 31, 2021		Year ended December 31, 2020		change %
	Amount	%	Amount	%	
Power and fuel	41.02	0.34	41.04	0.46	(0.05)
Rent - premises	50.84	0.42	37.73	0.42	34.75
Software subscription charges	128.45	1.07	94.44	1.06	36.01
Repair and maintenance	50.94	0.43	60.31	0.67	(15.54)
Commission	17.52	0.15	15.04	0.17	16.49
Travelling and conveyance	102.57	0.86	120.39	1.35	(14.80)
Communication costs	102.90	0.86	105.22	1.18	(2.20)
Legal and professional fees (including subcontracting expenses)	1,100.65	9.19	686.61	7.68	60.30
Cost of third party items	245.79	2.05	133.93	1.50	83.52
Auditors' remuneration	24.26	0.20	25.10	0.28	(3.35)
Provision for doubtful debts (net)	-	-	2.90	0.03	(100.00)
Provision for doubtful advance (net)	-	-	2.60	0.03	(100.00)
Loss on sale / discarding of property, plant and equipment (net)	2.18	0.02	0.19	0.00	1,047.37
Loss on cancellation of leases (net)	0.11	0.00	-	-	100.00
Contribution towards corporate social responsibility	11.49	0.10	5.26	0.06	118.44
Miscellaneous expenses	271.61	2.27	194.32	2.17	39.77
Total	2,150.33	17.96	1,525.08	17.07	41.00

ANNEXURE 'E' TO THE DIRECTORS' REPORT

2.4.2 Based on Standalone Financial Statement:

(₹ in million)

Particulars	Year ended December 31, 2021		Year ended December 31, 2020		change %
		%		%	
Power and fuel	26.58	0.43	30.24	0.67	(12.10)
Rent - premises	24.25	0.39	13.84	0.31	75.22
Software subscription charges	105.68	1.69	79.70	1.77	32.60
Repair and maintenance	37.96	0.61	45.67	1.01	(16.88)
Commission	17.52	0.28	15.04	0.33	16.49
Travelling and conveyance	64.51	1.03	61.39	1.36	5.08
Communication costs	71.62	1.15	76.75	1.70	(6.68)
Legal and professional fees (including subcontracting expenses)	218.57	3.50	132.83	2.94	64.55
Auditors' remuneration	6.10	0.10	5.69	0.13	7.21
Provision for doubtful debts (net)	-	-	6.24	0.14	(100.00)
Loss on sale / discard of property, plant and equipment (net)	1.10	0.02	-	-	100.00
Contribution towards corporate social responsibility	11.49	0.18	5.26	0.12	118.44
Miscellaneous expenses	143.34	2.30	81.00	1.79	76.96
Total	728.72	11.67	553.65	12.27	31.62

2.5 Exceptional Items

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Impairment of Goodwill	-	106.68	-	-
Other fair value gain on contingent consideration	-	(88.03)	-	-
Total	-	18.65	-	-

2.6 Tax expense

Tax expense comprises current tax and deferred tax.

(₹ in million)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Profit Before Tax	1,700.72	962.21	1,358.93	815.80
Current tax	327.63	206.17	245.27	149.86
Deferred tax credit	(41.27)	(61.95)	(43.81)	(31.13)
Total Tax Expense	286.36	144.22	201.46	118.73
Effective Tax Rate (%)	16.84	14.99	14.82	14.55

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

Ratio	Consolidated			Standalone		
	2021	2020	Variance	2021	2020	Variance
Debtors Turnover (in days)	50	53	-6.3%	49	50	-0.7%
Inventory Turnover	NA	NA		NA	NA	
Interest Coverage *	27.09	16.03	69.0%	24.31	19.64	23.8%
Current Ratio	3.28	3.40	-3.6%	4.12	4.11	0.3%
Debt Equity Ratio @	0.00	0.05	-95.7%	0.00	0.01	-74.2%
Operating Profit Margin	11.5%	10.3%	11.6%	16.1%	16.6%	-2.8%
Net Profit Margin #	12.2%	9.3%	31.8%	20.0%	15.9%	26.1%
Return on Net worth #	30.7%	19.2%	60.3%	32.7%	20.3%	60.9%

@ Debt equity ratio has decreased due to the forgiveness of the PPP loan during the year ended December 31, 2021, which was considered as debt during the year ended December 31, 2020.

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

Increase in net profit margins and return on net worth is mainly on account of an increase in revenue from operations coupled with exchange gain. Further, there was one-time income due to forgiveness of the PPP loan (included in Other Income).

Note :

Debtors Turnover = Average Trade Receivables / Billed Revenue * 360

Operating Profit = Profit before tax (PBT) less Finance cost, exceptional items and other income

Interest Coverage = Operating profit / Finance cost

Current Ratio = Current Assets / Current Liability

Debt Equity Ratio = Long term Borrowings / Net worth

Operating Profit Margin = Operating profit / Revenue

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

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

On behalf of the Board

For R Systems International Limited

Sd/-

Dr. Satinder Singh Rekhi

(DIN: 00006955)

(Managing Director & Chief Executive Officer)

Place: Singapore

Date : February 18, 2022

Sd/-

Lt. Gen. Baldev Singh (Retd.)

(DIN: 00006966)

(President & Senior Executive Director)

Place : NOIDA

Date : February 18, 2022

ANNEXURE 'F' TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	:	L74899DL1993PLC053579						
2.	Name of the Company	:	R Systems International Limited						
3.	Registered address	:	GF-1-A, 6, Devika Tower, Nehru Place, Delhi 110019						
4.	Website	:	www.rsystems.com						
5.	E-mail id	:	investors@rsystems.com						
6.	Financial Year reported	:	January 1, 2021 to December 31, 2021						
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	<table border="1"> <thead> <tr> <th>Product Description</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>Information technology services and products</td> <td>620</td> </tr> <tr> <td>Business process outsourcing services</td> <td>620</td> </tr> </tbody> </table>	Product Description	NIC Code	Information technology services and products	620	Business process outsourcing services	620
Product Description	NIC Code								
Information technology services and products	620								
Business process outsourcing services	620								
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	:	IT, ITES and Analytics						
9.	Total number of locations where business activity is undertaken by the Company: (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	:	R Systems Group operates 18 development and service centres and 25+ offices worldwide For more details, please refer Point No. 9.15 of Corporate Governance Report.						
10.	Markets served by the Company – Local/State/National/International	:	North America, Europe, Asia Pacific and India						

Section B: Financial details of the Company:

Sl. No.	Particulars	Financial Year 2021	
		Standalone (₹ in millions)	Consolidated (₹ in millions)
1.	Paid up Capital	118.30	118.30
2.	Total Turnover	5,775.01	11,556.39
3.	Total profit after taxes	1,157.47	1,414.36
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, the Company has contributed ₹ 11.49 mn. for CSR activities (being 2.02% of the average net profit for the last three financial year.)	
5.	List of activities in which expenditure in 4 above has been incurred	Refer to Annexure I of the Directors' Report.	

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	:	Yes, the Company has 25 subsidiaries as at December 31, 2021.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	R Systems International Limited is committed to integrate sustainability related best practices across its operations. The subsidiary companies share our vision, ethics and values and are required to pursue responsible practices as per the laws applicable to them.
3.	Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	:	The Company has multiple business partners, clients, vendors, associates, etc., working and operating globally. They may have their own policies on Businesses Responsibility. We endeavor to encourage them to follow the concept of being a responsible business organization.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies:

All Corporate Policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company is ultimately shouldered by the following official of the Company:

S. No.	Particulars	Details
1.	DIN Number	00006955
2.	Name	Dr. Satinder Singh Rekhi
3.	Designation	Managing Director & Chief Executive Officer

(b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	00006955
2.	Name	Dr. Satinder Singh Rekhi
3.	Designation	Managing Director & Chief Executive Officer
4.	Telephone number	0120-430 3500
5.	e-mail id	rsil@rsystems.com

ANNEXURE 'F' TO THE DIRECTORS' REPORT

2. Principle-wise (as per NVGs) BR Policy/ policies

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

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

Details of compliance (Reply in Y / N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y@	Y@	Y@	Y@	Y@	Y@	Y@	Y@	Y@
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Policies as per the Act and Listing Regulations are available on the website the Company i.e. https://www.rsystems.com/investors-info/corporate-governance/ and all other policies are displayed on our intranet.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* The relevant policies have been developed basis inputs from the concerned internal stakeholders. Further, the Company endeavour to take the feedback from concerned stakeholders which shall help in shaping these policies over a period of time.

@ The policies are framed as per applicable laws and as per industry Standards.

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

ANNEXURE 'F' TO THE DIRECTORS' REPORT

3. Governance related to BR

- a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Board of Directors and the Committee(s) responsible for implementing the BR performances of the Company review it annually.

- b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes its Annual Report which contains the Report on Business Responsibility and it is available on the Company website i.e. <https://www.rsystems.com/investors-info/annual-reports/>.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

The Company considers Corporate Governance as an integral part of its management. The Company has well defined Codes of Conduct for all employees of the Company, Senior Management and Directors of the Company that uphold the standard of ethics, honesty, misconduct etc. The code of Conduct of Senior Management and Directors is applicable to all the Board members, senior management of the Company and its subsidiaries.

The Company has prepared the Anti-Bribery Policy for the employees of the Company, its subsidiaries and its affiliates. Additionally, the Company has crafted the Supplier Code of Conduct which sets out standards of ethical conduct for our third parties.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders.

During the year under review, one complaint was received from a shareholder, which was resolved within the Statutory time limits. There was one compliant received

under sexual harassment which was duly investigated and resolved by ICC Committee. Further, no compliant related to ethics, bribery and corruption issues was received from other stakeholders during the year 2021.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The Company is in the business of IT and IT enabled services. Hence, these services do not attract social or significant environmental concerns, risks and/or opportunities. We always strive to improve our processes and operations regarding energy, emissions, water and waste management.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Not applicable

- b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

R Systems adopted various energy conservation options/technologies and took measures to reduce energy consumption by using energy efficient equipment and devices, replacing existing CFL fittings with LEDs fittings to reduce power consumption, timely preventive maintenance of all major and minor equipments. The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localized areas.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

- a. **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company maintains a healthy relationship with its service providers, vendors and other suppliers.

The Company has procedures in place for sustainable procurement. Purchase policy of the Company consider various aspects of sustainable sourcing including value for money, price, quality, availability, functionality, environmental, governance and social aspects. All the vehicles of the Company hired for transportation are compliant in regards to environmental requirements.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

- a. **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company strive to procure goods and services from local supply chain partners which includes mid-size and small scale industries who meets our quality, delivery, cost and technology expectations. The Company endeavors to interact with the local / MSME suppliers, vendors, as and when required, to assist them on improving their capabilities, quality etc.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

RO waste water has been reused for several purposes in the Company. The Company strictly follows guidelines of Re-cycling of waste items and equipments through authorised agencies.

Principle 3

1. **Please indicate the Total number of employees:** 2,992

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:** 56

3. **Please indicate the Number of permanent women employees:** 464

4. **Please indicate the Number of permanent employees with disabilities:** Being an equal opportunity employer, the Company does not mandate disclosure of disability. As on December 31, 2021, six persons with disabilities have voluntarily declared their status.

5. **Do you have an employee association that is recognized by management:** No

6. **What percentage of your permanent employees is members of this recognized employee association? :** Not Applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	1	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a) Permanent Employees: 93%

(b) Permanent Women Employees: 93%

(c) Casual/Temporary/Contractual Employees: 77%

(d) Employees with Disabilities: All employees with Disabilities covered in various skill up-gradation training programs.

Principle 4

1. **Has the company mapped its internal and external stakeholders? - Yes**

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. - Yes**

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company recognizes the vital role played by the Society at large in its growth and development. The Company has undertaken several programs to indulge with the disadvantaged, vulnerable and marginalized stakeholders. Details of CSR initiatives executed by the Company during the year under review are given in Annexure I of the Directors' Report.

ANNEXURE 'F' TO THE DIRECTORS' REPORT

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Respect for Human Rights is a fundamental value of the Company. The Company together with its subsidiaries is committed to respect the human rights of its workforce, communities and those affected by its operations. The Company has prepared the Anti-Bribery Policy for the employees of the Company, its subsidiaries. The Company also expects all its employees, consultants, independent contractors and suppliers to observe these principles.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Refer to point 7 under principle 3 above.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

R Systems International Limited and its subsidiaries understand that protecting and preserving the environment is central to achieving sustainable development and creating a better world for all today and for future generations.

The Company has formally documented the environment policy applicable to the Company and its foreign subsidiaries (to the extent to the applicable laws in their respective Countries). R Systems and its subsidiaries, being engaged in IT and ITES sector, do not cause any major adverse effect on the environment. Further, the Company also expects all its consultants, independent contractors, and suppliers etc. to observe these principles.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

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

- Installation of LED lights & power saving equipment at all locations to reduce the electricity consumption.
- The air is conditioned with energy efficient compressors for central air conditioning and with split air conditioning for localized areas. Optimum use of air conditioner (AC) at the stores.
- Endeavoring to convert its Diesel generators to Gas based generators.

- RO waste water has been reused for several purposes in the Company.
- Vehicles of the Company used for transportation are emission tested by Government, from time to time.

R Systems is always in search of innovative and efficient energy conservation technologies and applies them prudently, so that the adverse impact on Global environment is minimal.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has formulated an Environment Policy through which it makes an assessment of factors related to the potential environment risks on an ongoing basis.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company is in the business of software development, to have a clean development project is not relevant to the nature of business, hence, not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Please refer answer to point 2 above.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, our emissions and waste generated lies within the permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is member of Export Promotion COUNCIL for EOUs & SEZs and NASSCOM.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Nil

Principle 8

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Corporate Social Responsibility (CSR) is a strategy of a Company to integrate social, environmental and economic concerns in its values and operations to improve the welfare of society and stakeholders.

Our CSR policy comprises mainly to support and endeavor to bring about positive difference to communities where we exist. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build R Systems into an organization which maximizes Stakeholders Value. The Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers and other stakeholders.

Further, our subsidiary Companies also undertake various CSR programs, from time to time at their individual level.

2. Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?

Our CSR programmes and other projects are handled by our in-housed Corporate Social Responsibility team with the help of external agencies/NGOs.

3. Have you done any impact assessment of your initiative?

Our CSR team is connected with the ground level realities of our inclusion projects in a direct way, with involvement of our Senior Management at personal levels, and we constantly assess, monitor and capture feedback both in formal and informal ways. No third-party assessments are done.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Please refer Annual Report on CSR activities of the Company enclosed as Annexure I of the Directors' Report for the Financial Year 2021.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the initiatives undertaken by the Company are assessed through the outcomes achieved.

Our CSR Team, constantly remain in touch with the beneficiaries of our initiatives by way of follow-up field visits, telephonic and email communications.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Customer satisfaction is of utmost important for the Company. As at the end of the financial year, no material customer complaint is pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Since, the Company is in the business of IT & ITES services, this requirement does not apply to the Company.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no such case against the Company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

We interact with our clients on a regular basis and across multiple platforms. We believe in continuous improvement of our services to customers worldwide and conducts Customer Satisfaction Survey every year to measure the level of satisfaction of customer and to capture customer feedback on various parameters to Improving internal processes based on the needs and expectations of the customers.

On behalf of the Board

For R Systems International Limited

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

Place: Singapore
Date : February 18, 2022

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

Place: NOIDA
Date : February 18, 2022

ANNEXURE 'G' TO THE DIRECTORS' REPORT

**SECRETARIAL
AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021**

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

To,
The Members

R Systems International Limited

(CIN: L74899DL1993PLC053579)

GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **R Systems International Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that-

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on December 31, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2021 according to the provisions of:

- The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 {Not applicable during the audit period};
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 {Not applicable during the audit period};
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable during the audit period};

(h) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines, to the extent applicable, as mentioned above. Further, the Company was generally regular in filing forms with Reserve Bank of India and Registrar of Companies.

(vi) The other laws, as informed and certified by the Management of the company which are specifically applicable to the Company based on the Sectors/ Industry are:

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

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

We have checked the Compliance Management System of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the Compliance Management System of the Company seems adequate to ensure compliance of above mentioned specific laws applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the audit period.

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

As per the minutes the decision at the Board Meetings were taken unanimously.

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

We further report that during the audit period the company had following specific events/ actions having a major bearing on the company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc:

- The Scheme of Amalgamation between RightMatch Holdings Limited (Transferor Company) and R Systems International Limited (Transferee Company) got approved by the Hon'ble National Company Law Tribunal, New Delhi ("NCLT") vide its order dated February 01, 2021 and pursuant to the aforesaid order, the Company has allotted 8,828,489 (Eighty Eight Lakhs Twenty Eight Thousand Four Hundred Eighty Nine) fully paid up Equity Shares of ₹ 1/- (Rupee One Only) to the shareholders of RightMatch Holdings Limited and the shares held by RightMatch were cancelled and extinguished.
- The Company has bought back 1,333,000 (Thirteen Lakhs Thirty Three Thousand) fully paid up equity shares of the face value of ₹ 1/- (Rupee One Only) each at a price of ₹ 225/- (Rupees Two Hundred Twenty Five Only) per equity share pursuant to the provisions of Section 68 of the Act and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- The Company has declared two interim dividends of ₹ 2.50 per equity share and ₹ 3.20 per equity share on June 18, 2021 and November 02, 2021, respectively. The said interim dividends have been paid to shareholders on July 14, 2021 and November 26, 2021, respectively.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-

Kapil Dev Taneja
Partner

FCS No.: F4019
CP No.: 22944

New Delhi
February 18, 2022

UDIN: F004019C002633360

ANNEXURE 'H' TO THE DIRECTORS' REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- The aforesaid disclosure is based on the materiality threshold defined in Policy for related party transactions.
- For details of other related party transaction, please refer note No. 31 of the Standalone financial statements.

On behalf of the Board

For R Systems International Limited

Sd/-

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

Place: Singapore

Date : February 18, 2022

Sd/-

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

Place: NOIDA

Date : February 18, 2022

ANNEXURE 'I' TO THE DIRECTORS' REPORT

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

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

1. A brief outline of the Company's CSR policy

To support and endeavor to bring about positive difference to communities where we exist. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build R Systems International Limited into an organization which maximizes Stakeholders Value. The Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers and other stakeholders.

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

The Company's CSR policy can be accessed on:

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

2. Composition of the CSR Committee (As on December 31, 2021)

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kapil Dhameja	Non-Executive Independent Director -Chairman	4	4
2	Lt. Gen. Baldev Singh (Retd.)	President & Senior Executive Director -Member	4	4
3	Mrs. Ruchica Gupta	Non-Executive Independent Director -Member	4	4

3. The web-link where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the Company:

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

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

Not Applicable

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

S. No.	Financial Year	Amount Available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Nil	
6	Average Net Profit of the Company for last three financial year		₹570,045,360/-
7(a)	Two Percent of average net Profit of the Company as per Section 135(5)		₹ 11,400,907/-
7(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.		Nil
7(c)	Amount required to be set off for the financial year, if any		Nil
7(d)	Total CSR obligation for the financial year (7a+7b-7c).		₹ 11,400,907/-

ANNEXURE 'I' TO THE DIRECTORS' REPORT

8(a) CSR amount spent or unspent during the financial year:									
Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)								
	Total Amount transferred to Unspent CSR Account as per section 135(6).			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).					
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer				
11,493,250/-	Nil			Not Applicable					
8(b) Details of CSR amount spent against ongoing projects for the financial year:									
The Company does not have any ongoing Project during the Financial year 2021.									
8(c) Details of CSR amount spent against other than ongoing projects for the financial year:									
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1	Sports Projects	(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	No	Karnataka	Bengaluru	1,600,000/-	Indirect	Prakash Padukone Badminton Academy	CSR00002741
2			No	Telangana	Hyderabad	750,000/-	Indirect	Pullela Gopichand Badminton Academy	CSR00001555
3			No	Karnataka	Bengaluru	600,000/-	Indirect	GoSport Foundation	CSR00002235
4			No	Punjab	Mohali	1,500,000/-	Indirect	Abhinav Bindra Foundation Trust	CSR00000144
5	Education Projects	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	No	Tamil Nadu	Chennai	1,000,000/	Indirect	ICT Academy of Tamil Nadu	CSR00009157
6			No	Beas	Kapurthala	1,500,000/-	Direct	Direct	NA
7			No	Jharkhand	Ranchi	1,500,000/-	Direct	Direct	NA
8			Yes	U.P.	Gautam Buddha Nagar	2,500,000/-	Indirect	Ritnand Balved Education Foundation	CSR00002905
9	Community welfare project	(i) Eradicating hunger, poverty and malnutrition	Yes	Delhi	Delhi	50,000/-	Indirect	Missionaries of Charity	CSR00016527
10	Women Skill Development	(iii) promoting gender equality, empowering women	Yes	Delhi	Delhi	493,250/-	Indirect	Providing Actions With Research and Sustainable Development	CSR00009013
Total						11,493,250/-			

8(d)	Amount spent in Administrative overheads	Nil	
8(e)	Amount spent on Impact Assessment, if applicable	Nil	
8(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 11,493,250/-	
8(g)	Excess amount for set off, if any		
	S. No.	Particulars	Amount
	(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 11,400,907/-
	(ii)	Total amount spent for the financial year	₹ 11,493,250/-
	(iii)	Excess amount spent for the financial year	₹ 92,343/-
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
	(v)	Amount available for set off in succeeding financial years	Nil

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

9 (a) Details of Unspent CSR amount for the preceding three financial years:									
S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years		
				Name of the Fund	Amount (in ₹)	Date of transfer			
NA									
b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):									
S. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year(in ₹)	Status of the project - Completed / Ongoing	
Nil									
10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:									
(a) Date of creation or acquisition of the capital asset(s).									
(b) Amount of CSR spent for creation or acquisition of capital asset.									
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.									
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).									
11 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).									
Not Applicable									

Sd/-

Dr. Satinder Singh Rekhi

(DIN:00006955)

(Managing Director & Chief Executive Officer)

Place: Singapore

Date : February 18, 2022

Sd/-

Kapil Dhameja

(DIN:02889310)

(Chairman of CSR Committee)

Place: Gurugram

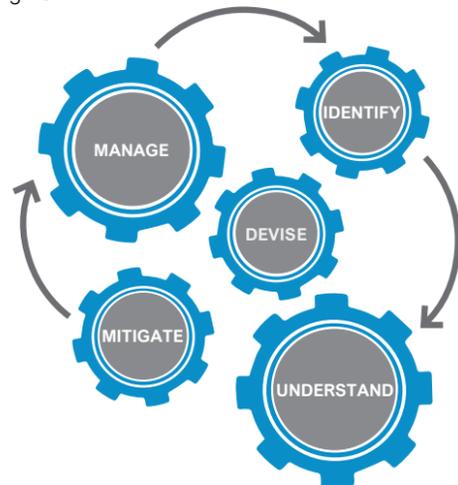
Date : February 18, 2022

RISK MANAGEMENT REPORT

The Management cautions readers that the risks outlined in this report are not exhaustive, are for information purposes only and may contain forward looking statements, the results of which may differ materially from those reflected. Investors and readers are requested to exercise their own judgment in assessing various risks associated with the Company.

OVERVIEW

Risk Management is a dynamic process which should constantly be able to identify all the emerging risks and propose solutions to manage them. The risk perception also constantly varies depending on the size of the business, business segment, location, scale of business. The essence of risk management strategy at R Systems lies in maximising areas of control over outcome and minimising areas where the Company has no control over outcome. R Systems recognizes that business conditions are constantly changing, evolving, and entering into cycles. Following is the model adopted by the Company for managing risk:



ENTERPRISE RISK MANAGEMENT STRUCTURE

Risk management is an integral part of the charter of the Board of Directors at R Systems. The Board is responsible for monitoring risk levels on various parameters and to suggest measures to address the same. The day to day management of the risk is entrusted to the management team of R Systems. Based on the philosophy of "No risks, No rewards", our management continuously keeps monitoring the level of our existence on the path of growth and within R Systems management structure, certain personnel are designated with responsibility of managing risks including ensuring compliance with laws, rules and regulations with the assistance of both internal and external resources. Further, formal reporting, escalation of risk events and control mechanisms ensure timely communication, response and proactive management of the risks.

RISK MANAGEMENT AT R SYSTEMS

1. Customer Concentration

R Systems revenues are dependent to a considerable extent upon relationships with a limited number of customers and retaining those customers. The percentage of total consolidated revenues during fiscal year 2021 and 2020 that R Systems derived from contracts with its top line customers is as follow:

Customer	Year Ended	
	December 31, 2021 (%)	December 31, 2020 (%)
Top 10	24.19	28.48
Top 5	16.44	18.96
Top 3	12.33	14.06
The Largest Customer	7.14	7.68

Concentration of revenues from a limited number of customers deepens our relationship with those customers but at the same time imposes a risk of dependence. Customer's vendor management strategies and business risks radiate on to R Systems through fluctuations in utilization, pricing for services and service level demands. All these factors could potentially impact revenues and profitability of R Systems.

INITIATIVES: The business model and strategy followed by R Systems involves serving the customers in a manner that they get measurable tangible benefits. When customers see value in the services/solutions that R Systems provides, we believe that customer's relationship can be nurtured into the long term. Further, with our proactive strategy of adding new customers, we attempt to reduce our dependency on a smaller number of customer relationships.

2. Geographical Concentration

R Systems has traditionally derived most of its revenues from the North America, given the technology focus and specialized outsourced product development services offered by it. The geographic break-up of the revenue is given below:

Revenues by Geographies	Year Ended	
	December 31, 2021 (%)	December 31, 2020 (%)
North America	68.86	68.02
Europe	13.52	13.22
SEAC	14.55	16.25
India	2.30	1.58
Others	0.77	0.93
Total	100.00	100.00

INITIATIVES: In order to mitigate the risk of geographical concentration, R Systems has stepped up its business activities in other geographic areas like Europe, South East Asia etc.

3. Risks Associated with Fixed Price Contracts

Under our product engineering and digital offerings most of our assignments are on the basis of time and material task orders, some proportion of the services provided by us is in the nature of fixed bid assignments. Under fixed bid assignments, in the event of cost overruns, our profitability will be adversely affected.

INITIATIVES: We have our internal processes to ensure accuracy in the estimation of the time required to execute fixed price projects, and processes to implement and monitor the progress of such projects. Further, the experience gained from such projects is also used for new projects. However given the very nature of the fixed price projects, cost overruns and delayed deliveries cannot be ruled out.

4. Competition

The IT & ITES sector is a highly competitive sector. Our competitors include IT outsourcing firms in India as well as in other countries, national and multinational consulting and technology firms, Indian IT services firms, software firms and in-house IT departments of large companies. The competition in the IT industry is very intense and our competitors are aggressive in winning new business and customers that may drive a harder bargain.

INITIATIVES: We believe that R Systems is well positioned and enjoys following competitive advantages:

- Experience in providing end-to-end solutions and services to customers;
- Unique and proprietary processes & with best practices, tools and methodologies for flawless execution;
- Investment in processes, talent and methodologies;
- Strong customer franchise consisting of large and mid-sized corporations;
- Strong financial position;
- Proven global delivery model;
- Our vertical focus for services and solutions;
- Industry best human resource practices to attract, develop, deploy and retain talent.

5. Disaster Prevention and Recovery

The IT industry is very sensitive to security risk and a real or perceived threat of a risk to the security and integrity of information available to us may adversely affect customer perception, give rise to litigation and reduce our customer base, thereby negatively affecting R Systems revenues and profit margins. The contracts entered into by R Systems typically hold us solely responsible for maintaining satisfactory standards of personnel competency, conduct and integrity and for taking required disciplinary action.

R Systems may be vulnerable to risks due to natural or manmade calamities/disasters which may impact business operations, inflicting heavy economic losses and risk to employee safety.

INITIATIVES: R Systems has adopted industry-standard security precautions such as ensuring that our employees and strategic partners enter into non-disclosure and confidentiality agreements with us, verifying that there is no information leakage through test procedures, carrying out background checks and verifications, creating and maintaining data backups, and maintaining an adequate disaster recovery plan. R Systems makes continual investments in organisation behaviour and management processes to ensure that these certified industry standards are continually adhered to.

During the year 2021, Noida IT as well as Knowledge Services (KS) Division became SOC2 compliant and got reappraised for PCMM Level 5.

As of the date of this report, Noida IT division is CMMI level 5 (Ver.1.3), PCMM Level 5, ISO 9001:2015, ISO 27001:2013 certified and SOC2 Type 2 compliant. Noida Knowledge Services (KS) Division is PCMM Level 5, ISO 27001:2013, ISO 9001:2015 certified and SOC2 Type 2 compliant. Apart from this, KS division is also HIPAA compliant for specific clients and PCI-DSS (ver.3.2.1) certified (for IT Infrastructure along with the projects/process/applications in scope).

The continuing compliance with these standards demonstrates the rigor of R Systems processes and differentiates us to keep our competitive edge in service and product offerings.

Further, our distributed offshore and near shore infrastructure is seamlessly connected through a strong infrastructure design and appropriate bandwidth that provides us the capability to initiate and maintain uninterrupted support across the world.

RISK MANAGEMENT REPORT

Infrastructure redundancy, intra/inter-city recovery sites, work-from-home, onsite and split-site operations. Further, our distributed offshore and near shore infrastructure is seamlessly connected through a strong infrastructure design and appropriate bandwidth, work from home facility for employees that provides us the capability to initiate and maintain uninterrupted support across the world. Although the Company cannot avoid such risk that could impact the entire Industry, the Company has taken appropriate insurance cover for hazard events.

6. Talent Acquisition & Retention

The IT and BPO sector is highly competitive in terms of hiring strategy and incentives. R Systems is highly dependent on its employees at various levels of the organisation to provide leadership, manage the business, to provide services and execute complex projects for the clients. These skilled professionals are in high demand by other organisations and if R Systems is unable to attract and retain the skilled people, it will affect R Systems ability to grow and provide services to its customers.

INITIATIVES: At R Systems, we follow industry best human resource practices such as PCMM level 5 to attract, develop, deploy and retain talent. The Company is committed to develop and innovate such programmes that motivates them and develop their potential and also inculcate leadership attributes of the employees, which helps us to retain the best talent in the industry.

7. Key Managerial Role & Succession Planning

Succession planning is one of the most critical functions of an organization. This is the process that identifies the critical and core roles of an organization and identifies and assesses the suitable candidates for the same. The process ramps up potential candidates with appropriate skills and experiences in an effort to train them to handle future responsibilities in their respective roles. Succession planning is applicable for all critical roles in any organization. The upper management of each practice or department is responsible for coming up with a suitable succession plan for each core position under his or her department.

INITIATIVES: R Systems being a CMMI Level 5 (Ver. 1.3) and PCMM Level 5 company has put in practice a well-documented and defined policy on Succession Planning. This applies to all key roles in the organization as agreed upon by the Senior Management. Mission critical and key roles include Chief Executive Officer, Senior Management Team comprising of VPs and other roles critical to business operations continuity. Succession planning at R Systems occurs at least on an annual basis during annual performance appraisal cycle.

Further, R Systems has extensive recruitment teams in the markets that operate to continuously recruit skilled personnel at various levels in the organisation. In addition, R Systems conducts a rigorous training program at the entry level to train new professionals and develop next generation of managers and leaders. R Systems deploys modern HR practices by offering competitive compensation and benefit packages and exciting work environment to attract and retain talent. Further, R Systems tries to mitigate the impact of attrition in the continuity of services to the clients by using its proprietary processes and methodologies that allows the project teams to seamlessly share knowledge and collaborate on projects.

8. Technological Obsolescence

The IT and ITES sector is characterised by technological changes at a rapid rate, evolution of existing products and introduction of new products. R Systems makes investments in R&D with a view to keep pace with the latest developments in the technology space. Further, R Systems regularly hires, trains and nurtures domain and market specialists and continuously evaluates increasing the portfolio of technology alliances and partnerships to enrich our product and service mix. However, this risk cannot be fully mitigated despite the proactive investments made by R Systems.

INITIATIVES: We continuously enhance our competencies around latest technologies to deliver state of art Product and Solution for our customers.

9. Acquisitions

R Systems' growth strategy involves future strategic acquisitions, partnerships and exploration of mutual interests with other parties. These future acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or assume contingent liabilities, as part of any acquisition. We could have difficulty in assimilating the personnel, operations, software assets and technology of the acquired company. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

INITIATIVES: R Systems will remain sharply focused on those acquisitions and partnerships that add to the competitive strengths of our business. Specific transactions are evaluated in detail with experienced internal personnel and external advisors, wherever relevant, before consummating any transaction. Deal teams conduct technical, operational, marketing due diligence and build detailed financial model to evaluate the risks and benefits of any transaction. Further, contractual agreements are negotiated with the advice of legal counsel to protect Company's interests.

10. Credit Risk

As a matter of business practice, the payment collection process may extend over a period of time. Customers budgeting constraints can impact their ability to make the required payments. In addition, the creditworthiness of our clients may deteriorate and we can be adversely affected by bankruptcies or other business failures of our customers.

INITIATIVES: R Systems' credit terms are standard and there is rigorous process in following up with customers for payments as and when the invoices fall due for payment. The Company has suitably streamlined its processes to develop a more focused and aggressive receivables management systems to ensure timely collections as a result of the global liquidity crunch.

11. Foreign Currency Rate Fluctuations

Managing an equilibrium state in the light of the unfavourable movements in exchange rates involved in earnings and expenditure in foreign currency continues to be one of the challenges when exposed to global markets. A significantly large percentage of R Systems consolidated revenues are either foreign currency denominated or derived from export earnings. Whereas a major portion of the R Systems expenses in India are incurred in Indian Rupees. As a result, operating profits will be highly impacted by foreign currency rate fluctuations. While depreciation of the Indian Rupee would have a favourable bottom-line impact, an appreciation would affect R Systems profitability adversely.

INITIATIVES: R Systems cannot directly influence exchange rates, it is incumbent upon management to follow a well thought out policy to hedge the risk associated with foreign currency without taking speculative positions. R Systems attempts to minimize currency fluctuation risks on export earnings by taking forward covers on Rupee - USD/EURO exchange rate based on anticipated revenues and debtors at periodic intervals. R Systems has laid down appropriate policies and processes for the use of financial derivative instruments consistent with its risk management strategy. The Company does not use the foreign exchange forward contracts for trading or speculation purposes.

12. Inflation and Cost Structure

R Systems' cost structure consists of salary and other compensation expenses, overseas travel, and other general selling and administrative costs. Rapid economic development in India and increasing demand for global delivery may have a significant impact on these costs and the rate of inflation as relevant to the IT & ITES services industry. This is compounded by the fact that overseas competitors may treat their India strategy as a cost centre and develop the same regardless of the cost incurred and its impact on their profitability.

INITIATIVES: R Systems' major costs are salary and benefit cost that it incurs on employees. These costs may have a tendency to escalate faster than the rate of inflation because of the demand for skilled and experienced professionals. R Systems attempts to mitigate the risks associated with wage inflation by obtaining increased price from clients, increasing bench mark prices for new business, enhancing productivity, increasing utilisation and inducting fresh graduates and training them. Further, R Systems has implemented robust processes and information systems to enable personnel to make the right decisions for revenue realisation and cost optimisation to minimise the risks of changes in salary cost structure.

13. Intellectual Property Rights

As a part of R Systems' business, there are risks associated with intellectual property of the Company, intellectual property of R Systems' customers who may be end users or even the intellectual property of the end user.

INITIATIVES: R Systems' information security arrangements are managed under international standard ISO 27001 : 2013 series and are being audited by both internal and experts from third parties assessors who periodically audit and certify R Systems compliance.

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



Out of the aforesaid trademarks three logo and two words are already registered w.e.f. January 30, 2006 and the word "IPLM" is awaiting approval. Further the Company has registered the word "R SYSTEMS" and logo  as trademark under certain additional classes. The Company has also registered its logo  under appropriate classes. The Company has also registered the Word Mark "R SYSTEMS" in USA and Logo  in USA and Europe.

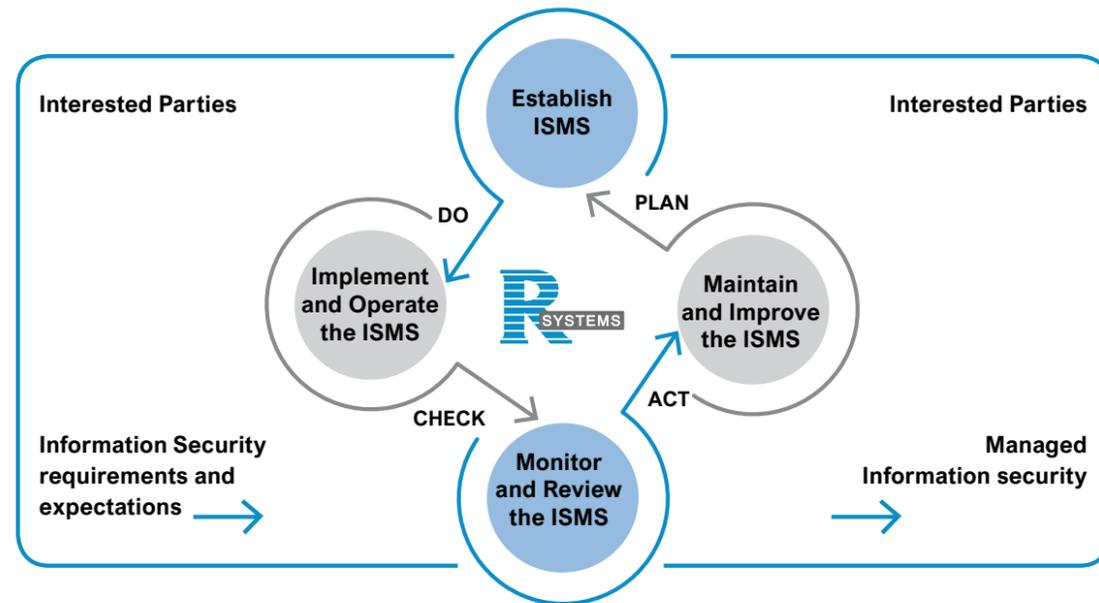
14. Information Security Management

R Systems being an IT and Software service provider company focusses on maintaining the confidentiality, integrity and availability of business data and information to the exclusive but optimum use for the accomplishment of organizational objective. The task of maintaining the

RISK MANAGEMENT REPORT

confidentiality of business data and information not only faces threat from outside the organization but also within the organization where the business data and information are put to use.

INITIATIVES: For ensuring the effectiveness of Information security, it is important that information security can be effective only if it is addressed at people, process and technology levels and is integrated in the way an organization operates. R Systems has established, documented and implemented Information Security Management Systems (ISMS) and shall continually improve its effectiveness in accordance with requirements of ISO 27001:2013. The approach applied to the ISMS is given in Figure below:



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

compensation, directors' and officers' liability, cyber & crime insurance. The Company's past record in this regard has been good and there has been no significant damages awarded against the Company that has resulted in material adverse impact on our financial position. R Systems also has an escalation process to immediately involve senior management personnel in case R Systems customers or contractors make any assertion of breach of contract.

R Systems has employed professionals with adequate legal expertise who plays handy role in finalizing the various terms under written contracts on behalf of the Company. The experience gained from past contracts and transaction entered into by the Company are also analyzed and implemented for the new contracts envisaged by the Company. As a matter of practice depending upon the criticality of the transactions, contractual agreements are well discussed within the organization in coordination with technical team as well legal professionals and are also negotiated with the advice of legal counsel to protect Company's interests.

15. Contractual Risk

The primary contractual risks that R Systems faces pertain to obligations of R Systems to provide services with full adherence to contracted terms of quality, time deadlines, output per hour, protection of confidential information, protection of intellectual property rights, patents and copyrights. R Systems has a rigorous process to evaluate the legal risks involved in a contract, ascertains its legal responsibilities under the applicable law of the contract and tries to restrict its liabilities to the maximum extent possible.

INITIATIVES: R Systems attempts to protect itself with "no consequential losses" and "maximum liability" clauses. R Systems also ensures that risks are protected through various insurances like professional liability, workers

16. Execution Risk

A significant number of R Systems clients are,

Independent Software Vendors, Technology, Telecom, Healthcare and Life Science, Finance and Insurance, and Retail and e-commerce. These clients need high quality and timely delivery of services with very stringent services level agreements. Any failure in delivery, quality, meeting service level bench agreements, product features and functionalities could adversely affect R Systems relationship with its clients, which could potentially impact R Systems revenues and profitability.

INITIATIVES: R Systems has continuously invested in processes, people, training, information systems, quality standards, frameworks, tools and methodologies to mitigate the risks associated with execution of projects. Adoption of quality models and practices such as ISO, Capability Maturity Model (CMM) and Six Sigma have ensured that risks are identified and mitigated at various levels in the planning and execution process. Further, senior management personnel, project managers and process leaders are entrusted with the responsibility to meet the project and service level expectations on various engagements. Planned intervention and escalation systems are further deployed to minimise risks.

17. Directors' and Officers' Liability Risks

The directors and officers of R Systems are required to take material decisions in the best interest of the Company. Such decisions might result in errors and omissions and R Systems might be sued by the other counterpart.

INITIATIVES: To mitigate this risk, the directors and officers take legal and expert advice when required and have taken various insurance policies outlined earlier including professional liability and directors' and officers' liability insurance. The Company attempts to limit its contractual liability for damages arising from negligent acts, errors, mistakes or omissions by directors and officers in rendering services, there can be no assurance that the limitations of liability set forth in its service contracts will be enforceable in all instances or will otherwise protect the Company from liability for damages. Though the Company maintains general liability insurance coverage, including coverage for errors or omissions, going forward, there can be no assurance that such coverage will be available on reasonable terms and in sufficient amount to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. The successful assertion of one or more large claims against the Company could adversely affect the Company's results of operations and financial condition.

18. Statutory Compliance

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

other liabilities related to non-compliance or inadequate compliance in those countries.

INITIATIVES: R Systems uses independent legal counsel to advise the Company on compliance issues with respect to the laws of various countries in which the Company has its business activities and to ensure that R Systems is not in violation of the laws applicable. R Systems has a compliance management system with qualified managers entrusted with compliance of various laws including the listing laws and regulations applicable to public companies in India.

19. Visa Regulations/Restrictions

Several overseas employees of R Systems are Indian nationals. The ability of R Systems to render its services in the US, Europe and other countries depends on the ability to obtain visas and work permits. Immigration to US, Europe and other countries are subject to legislative changes as well as variations in standards of application and enforcement due to political forces and economic conditions for example, any major change in immigration policy of USA may put the challenge to Indian IT Companies. It is difficult to predict the political and economic events that could affect immigrations laws or the restrictive impact they could have on obtaining or monitoring work visas. The reliance on visas makes R Systems vulnerable to such changes and variations as it affects the ability of the Company to staff projects with employees who are not citizens of the country where the work is to be performed. As a result, R Systems may not be able to get a sufficient number of visas for employees or may encounter delays or additional costs all of which may affect profitability.

INITIATIVES: R Systems monitors the status of visa availability and requirements on a regular basis in consultation with external legal counsel. In house legal personnel are entrusted with the responsibility for compliance with the immigrations laws which is validated by periodic independent audit. R Systems may expand its business in other geographies to de-risk from US business meanwhile it may boost US hiring. R Systems may look forward to change its business models so that it can deliver from different locations globally through innovation.

20. Political Risk

The Government of India has been favourably disposed towards the IT and BPO industry in India. Further, we operate in multiple countries of which the US is a major market. While most governments in the countries where we operate are in favor of free trade, we cannot be immune to changes in policies that may discourage off-shoring to protect local employment.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of R SYSTEMS INTERNATIONAL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of R Systems International Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report and Risk Management Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branch to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of the business activities included in the Standalone Financial Statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on December 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

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

JITENDRA AGARWAL

(Partner)

(Membership No. 87104)

Place: New Delhi

Date: February 18, 2022 (UDIN: 22087104ADCNEW7309)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of R SYSTEMS INTERNATIONAL LIMITED (“the Company”) as of December 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

JITENDRA AGARWAL

(Partner)

Place: New Delhi

(Membership No. 87104)

Date: February 18, 2022

(UDIN: 22087104ADCNEW7309)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of its property, plant and equipment:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds / conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted any loans, given guarantees or provided any security under Section 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified

by the Central Government under section 148(1) of the Companies Act, 2013 for the services rendered by the Company.

- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-Tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts of statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues outstanding as at December 31, 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-Tax which have not been deposited as on December 31, 2021 on account of disputes are given below:

Nature of Statute	Nature of Dues	Amount* (₹ in Millions)	Amount Unpaid (₹ in Millions)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax demand	0.45	0.14	A/Y 2017-18	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax demand	33.80	27.25	A/Y 2018-19	Commissioner of Income Tax(Appeals), New Delhi

* amount as per demand orders including interest and penalty wherever quantified in the order.

As per records maintained by the Company, there are no dues of Service Tax, Goods and Service Tax, Value Added Tax and Customs Duty which have not been deposited as on December 31, 2021 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans were applied by the Company for the purpose for which those were raised. The Company has not raised moneys by way of

initial public offer or further public offer (including debt instruments) during the year.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

JITENDRA AGARWAL

(Partner)

Place: New Delhi

(Membership No. 87104)

Date: February 18, 2022

(UDIN: 22087104ADCNEW7309)

STANDALONE BALANCE SHEET

AS AT DECEMBER 31, 2021

(₹ in million)

	Notes	As at December 31, 2021	As at December 31, 2020
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3 (a)	433.72	359.14
(b) Right-of-use assets	3 (b)	329.74	364.74
(c) Investment property	3 (c)	18.90	20.37
(d) Intangible assets	3 (d)	2.08	3.97
(e) Financial assets			
(i) Investments	4	1,034.31	1,023.53
(ii) Other financial assets	5	48.95	41.67
(f) Deferred tax assets (net)	25	132.46	89.07
(g) Non-current tax assets (net)		10.57	32.17
(h) Other non-current assets	6	10.32	18.48
Total non-current assets (A)		2,021.05	1,953.14
B. Current assets			
(a) Financial assets			
(i) Investments	4	132.25	128.02
(ii) Trade receivables	7	839.18	658.20
(iii) Cash and cash equivalents	8a	622.09	715.48
(iv) Other bank balances	8b	235.99	285.49
(v) Other financial assets	9	755.94	768.69
(b) Other current assets	10	146.86	126.58
Total current assets (B)		2,732.31	2,682.46
Total assets (A+B)		4,753.36	4,635.60
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11	118.31	119.64
(b) Other equity	12	3,421.33	3,309.28
Total equity (A)		3,539.64	3,428.92
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	6.46	15.24
(ii) Other financial liabilities	14	348.96	362.30
(b) Provisions	15	193.98	174.94
Total non-current liabilities (B)		549.40	552.48
C. Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	33	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		69.78	38.86
(ii) Other financial liabilities	16	273.82	232.95
(b) Provisions	17	157.72	128.95
(c) Current tax liability (net)		27.96	47.78
(d) Other current liabilities	18	135.04	205.66
Total current liabilities (C)		664.32	654.20
Total liabilities (B+C)		1,213.72	1,206.68
Total equity and liabilities (A+B+C)		4,753.36	4,635.60

Notes forming integral part of the standalone financial statements

1-38

In terms of our report attached

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

sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

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

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

sd/-
NAND SARDANA
Chief Financial Officer

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : New Delhi
Date : February 18, 2022

Place : Singapore
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Place : New Delhi
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

STANDALONE STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED DECEMBER 31, 2021

(₹ in million)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
A Income			
(i) Revenue from operations	19	5,775.01	4,387.15
(ii) Other income	20	467.27	125.93
Total income		6,242.28	4,513.08
B Expenses			
(i) Employee benefits expense	21	3,969.88	2,972.00
(ii) Finance costs	22	38.26	37.02
(iii) Depreciation and amortisation expense	23	146.49	134.61
(iv) Other expenses	24	728.72	553.65
Total expenses		4,883.35	3,697.28
C Profit before tax (A-B)		1,358.93	815.80
D Tax expense	25		
(i) Current tax		245.27	149.86
(ii) Deferred tax credit		(43.81)	(31.13)
Total tax expense		201.46	118.73
E Profit for the year (C-D)		1,157.47	697.07
F Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		1.31	(15.79)
Deferred tax relating to re-measurements of the defined benefit plans		(0.42)	4.60
Items that will be reclassified to profit or loss			
Foreign currency translation reserve		(0.18)	0.18
Total other comprehensive income / (loss)		0.71	(11.01)
G Total comprehensive income for the year (E+F)		1,158.18	686.06
H Earnings per share (EPS)	26		
(Face value of shares ₹ 1/- each)			
Basic and diluted		9.70	5.83

Notes forming integral part of the standalone financial statements

1-38

In terms of our report attached

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

sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

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

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

sd/-
NAND SARDANA
Chief Financial Officer

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : New Delhi
Date : February 18, 2022

Place : Singapore
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Place : New Delhi
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

A. Equity share capital

(₹ in million)

Balance at January 01, 2020	119.60
Shares issued against ESOP	0.04
Balance at December 31, 2020	119.64
Balance at January 01, 2021	119.64
Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	8.83
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	(8.83)
Buy-back of shares [refer to Note 11(d)(iii)]	(1.33)
Balance at December 31, 2021	118.31

Note:

(1) Equity share capital as of January 01, 2020 is net of ₹ 0.74 million pertaining to shares held by R Systems Employees Welfare Trust. Also refer to Note 11 (f)(i).

B. Other equity (refer to Note 12)

(₹ in million)

Particulars	Reserves and Surplus						Other comprehensive income		Total other equity
	Securities premium	Capital reserve under common control	Capital redemption reserve	Stock options outstanding	General reserve	Retained earnings	Re-measurement of defined benefit plans	Foreign currency translation reserve	
Balance at January 01, 2020	44.37	-	3.69	1.72	155.04	2,423.29	(0.79)	-	2,627.32
Adjustment on adoption of Ind AS 116	-	-	-	-	-	(10.49)	-	-	(10.49)
Impact of merger of RightMatch Holdings Limited (refer to Note 36)	-	(0.34)	-	-	-	19.22	-	-	18.88
Adjusted balance at January 01, 2020	44.37	(0.34)	3.69	1.72	155.04	2,432.02	(0.79)	-	2,635.71
Profit for the year	-	-	-	-	-	697.07	-	-	697.07
ESOP provision for the year	-	-	-	0.15	-	-	-	-	0.15
Shares issued against ESOP	2.29	-	-	(1.87)	-	-	-	-	0.42
Dividend paid by RightMatch Holdings Limited to its shareholders (refer to Note 36)	-	-	-	-	-	(13.06)	-	-	(13.06)
Other comprehensive income for the year	-	-	-	-	-	-	(11.19)	0.18	(11.01)
Balance at December 31, 2020	46.66	(0.34)	3.69	-	155.04	3,116.03	(11.98)	0.18	3,309.28
Balance at January 01, 2021	46.66	(0.34)	3.69	-	155.04	3,116.03	(11.98)	0.18	3,309.28
Profit for the year	-	-	-	-	-	1,157.47	-	-	1,157.47
Interim dividend paid (refer to Note 34)	-	-	-	-	-	(677.66)	-	-	(677.66)
Buy-back of shares [refer to Note 11(d)(iii)]	(46.66)	-	1.33	-	(155.04)	(98.23)	-	-	(298.60)
Tax on buy-back [refer to Note 11(d)(iii)]	-	-	-	-	-	(69.87)	-	-	(69.87)
Other comprehensive income for the year	-	-	-	-	-	-	0.89	(0.18)	0.71
Balance at December 31, 2021	-	(0.34)	5.02	-	-	3,427.74	(11.09)	-	3,421.33

Note:

(1) Securities premium account as of January 01, 2020 is net of ₹ 2.28 million pertaining to shares held by R Systems Employees Welfare Trust. Also refer to Note 11 (f)(i).

Notes forming integral part of the standalone financial statements

1-38

In terms of our report attached

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

sd/-
JITENDRA AGARWAL
 Partner
 Membership No. 87104

sd/-
SATINDER SINGH REKHI
 Managing Director &
 Chief Executive Officer
 DIN: 00006955

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

sd/-
NAND SARDANA
 Chief Financial Officer

sd/-
BHASKER DUBEY
 Company Secretary &
 Compliance Officer

Place : New Delhi
 Date : February 18, 2022

Place : Singapore
 Date : February 18, 2022

Place : NOIDA
 Date : February 18, 2022

Place : New Delhi
 Date : February 18, 2022

Place : NOIDA
 Date : February 18, 2022

STANDALONE STATEMENT OF CASH FLOWS

FOR YEAR ENDED DECEMBER 31, 2021

(₹ in million)

	Year ended December 31, 2021	Year ended December 31, 2020
A. Cash flows from operating activities		
Profit for the year	1,157.47	697.07
Adjustments for:		
Tax expense	201.46	118.73
Depreciation and amortisation expense	146.49	134.61
Provision / (Reversal) for doubtful debts (net)	(0.04)	6.24
Employees' share based payments expense	-	0.15
Unrealised foreign exchange loss / (gain)	5.29	7.71
Unrealised loss / (gain) on derivative instruments	2.85	(41.37)
Interest income	(64.29)	(47.35)
Rental income from investment property	(6.72)	(6.44)
Net gain arising on financial assets measured at FVTPL	(4.23)	(12.43)
Loss / (Profit) on sale of property, plant and equipment (net)	1.10	(0.04)
Forgiveness of PPP Loan (refer note 13)	(31.76)	-
Dividend received from subsidiaries	(238.88)	-
Lease rent concession	(13.12)	(11.97)
Reversal of provision for diminution in value of investments	(10.78)	-
Interest expenses	38.26	37.02
Operating profit before working capital changes	1,183.10	881.93
Movements in working capital :		
(Increase) / Decrease in trade receivables	(185.14)	(97.67)
(Increase) / Decrease in other assets	(255.02)	48.81
Increase / (Decrease) in provisions	49.10	58.13
Increase / (Decrease) in trade payables and other liabilities	24.76	40.66
Cash generated from operations	816.80	931.86
Direct taxes paid, net of refunds	(243.48)	(143.33)
Interest on income-tax refund	4.79	-
Net cash from operating activities (A)	578.11	788.53
B. Cash flows from / (used in) investing activities		
Purchase of property, plant and equipment	(191.51)	(108.80)
Purchase of intangible assets	(0.09)	(5.08)
Proceeds from sale of property, plant and equipment	2.54	0.69
Proceeds from / (investment in) mutual funds	-	226.86
Investment in subsidiary	-	(27.67)
Proceeds from / (investment in) fixed deposits with scheduled banks (net)	298.83	(623.48)
Interest received	64.17	21.15
Rental income from investment property	6.72	6.44
Dividend received from subsidiaries	238.88	-
Net cash from / (used in) investing activities (B)	419.54	(509.89)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

(₹ in million)

	Year ended December 31, 2021	Year ended December 31, 2020
C. Cash flows used in financing activities		
Proceeds from long-term borrowings	7.87	32.37
Repayment of long-term borrowings - current maturities	(5.37)	(5.08)
Proceeds from / (Investment in) margin money deposits	(3.88)	20.66
Payment of lease liabilities	(37.87)	(48.92)
Proceeds from issuance of equity shares	-	0.45
Interest paid	(2.77)	(1.07)
Dividend paid by RightMatch Holdings Limited to its shareholders (refer to Note 36)	-	(13.06)
Interim dividend paid (refer to Note 34)	(677.66)	-
Buy-back of equity shares (including tax) (refer to Note 11(d)(iii))	(369.80)	-
Net cash used in financing activities (C)	(1,089.48)	(14.65)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(91.83)	263.99
Add: Cash and cash equivalents at the beginning of the year	715.48	453.26
Add : Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(1.56)	(1.77)
Cash and cash equivalents at the end of the year	622.09	715.48

Notes forming integral part of the standalone financial statements

1-38

In terms of our report attached

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

sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

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

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

sd/-
NAND SARDANA
Chief Financial Officer

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : New Delhi
Date : February 18, 2022

Place : Singapore
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Place : New Delhi
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

NOTES

TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1. Nature of operations

R Systems International Limited (the 'Company' or 'R Systems') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at New Delhi. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. The Company is a leading global provider of technology, artificial intelligence, RPA services and solutions along with knowledge services. The Company delivers its services and solutions to leading technology companies and businesses to enable their digital transformation. The Company's services and solutions span over five major business verticals i.e. Technology, Telecom, Healthcare and Life Science, Finance and Insurance, and Retail & e-commerce.

2. Significant Accounting Policies

(a) Statement of compliance

These standalone financial statements (the 'financial statements') are prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standard) Rules as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise indicated.

(c) Basis of preparation and presentation

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis except for certain financial instruments and defined benefit plans which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12

months for the purpose of classification of its assets and liabilities as current and non-current.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

When part of an item of property plant and equipment has different useful lives, they are accounted for as separate items (major component) of property plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

(e) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment and Investment Property, less their estimated residual values using the straight line method over the useful lives of the assets estimated by the management. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets and are in align with Part C of Schedule II of the Companies Act 2013.

The management estimates the useful lives are as follows:

Category	Useful life up to
Buildings	30 years
Leasehold improvements	Lower of lease period or useful life
Plant and equipment- other than air conditioners	15 years
Air conditioners	5 years
Office Equipment (other than end user devices)	5 years
Computer hardware and network installations (other than end user devices)	6 years
End-user devices such as desktop, laptop, mobile phones etc.	3 years
Furniture and fittings	10 years
Vehicles	8 years
Electrical installation	10 years

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

A summary of amortisation policies are as follows:

Category	Useful life up to
Computer software	Lower of license period or 3 years

(g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(h) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that

the grant / subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is deducted in reporting the related expenses over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grant or subsidy relating to expenses already incurred in previous years is recognised under other income.

(i) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(j) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(i) Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

(iv) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Investment in subsidiary companies

Investment in subsidiary companies is measured at cost.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(k) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost

Financial liabilities such as loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is recognised as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

The Company also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is

recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit or loss.

(l) Impairment

i. Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii. Non-financial assets

The Company's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

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An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(m) Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged

risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(n) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(o) Leases

Where the Company is a lessee

The Company's lease asset classes primarily consist of leases for land, buildings, vehicle and furniture. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after January 01, 2020.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has opted for the practical expedient under Ind AS 116 Para 46A read with Para 46B which provides lessee an option not to assess COVID-19-related rent concession as a lease modification. Basis the practical expedient the Company has recorded lease rent concession under other income. The expedient initially allowed for COVID-19-related rent concessions to payments originally due on or before June 30, 2021 has been extended to June 30, 2022.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

Where the Company is a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets comprising land and building which are subject to operating leases are included under non-current assets as investment property and are carried at cost less accumulated depreciation. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

(p) Revenue

The Company derives revenue primarily from software development and related services and business process outsourcing services. The Company recognises revenue when the performance obligations as promised have been satisfied with a transaction price and when there is no uncertainty as to measurement or collectability of the consideration.

The Company has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications

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of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company collects Goods and Service Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

Revenue from licenses where the customer obtain a right to use are recognised at the time the licenses is made available to the customers.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as unearned revenues).

Unbilled revenue for fixed price contracts are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones. Unbilled revenue on contracts other than above is classified as a financial asset.

(q) Other income

Other income is comprised primarily of interest income, net gain on foreign exchange fluctuations, rental income and gain on investments. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate. Dividend income is recognised when the Company's right to receive dividend is established.

(r) Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency of the Company, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items, exchange gain / loss on forward contracts and on foreign currency liabilities relating to Property, Plant and Equipment acquisition are recognised as income or expenses in the statement of profit and loss in the period in which they arise.

Translation of foreign operations

For the purposes of presenting the assets and liabilities of Company's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operations, exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

(s) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

(i) The Company's contribution to provident fund, employee state insurance scheme and other social security plans are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to profit and loss subsequently.

(iii) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company

recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the statement of profit and loss.

The Company presents the entire Compensated absences liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(t) Employee stock compensation expenses

The employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

In accordance with Ind AS 102 – "Share Based Payments", the cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognised as employee compensation cost over the vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The expense recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(u) Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

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Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it

is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realised.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. MAT credit asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under deferred tax assets.

(v) Segment reporting

The Company determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Each segment item reported is measured at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Inter segment transfers:

The Company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

(w) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources. The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(x) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(y) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

(z) Business combinations

Business combinations arising from transfers of interest in

entities that are under the control of the shareholder that controls the Company are accounted for using pooling of interest method as if the acquisition had occurred at the beginning of the earliest comparative period presented. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the transferor company. The difference, if any, between the share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be recorded as capital reserve and presented separately as capital reserve under common control.

(aa) Cash and cash equivalents

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

(ab) Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

i. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based

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on the expected contract estimates at the reporting date.

ii. Income taxes

The Company's major tax jurisdictions is India, though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

The Company reviews carrying amount of deferred tax assets at the end of each reporting period.

iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iv. Leases

The Company considers extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

v. Impairment of investments

The Company reviews its carrying value of investments at each Balance Sheet date, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

vi. Defined benefits obligation

The cost of the defined benefits plans and the present value of defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves various

assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vii. Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs and certain investments, the Company has considered internal and external information upto the date of approval of these standalone financial statement including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumption used and based on certain indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statement and the Company will continue to closely monitor any material changes to future economic conditions.

New standards, interpretations and amendments not yet adopted

a. Changes to Schedule III

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting January 01, 2022. The Company is evaluating the effect of the amendments on its standalone financial statements.

3 (a). Property, plant and equipment

Particulars	(₹ in million)									
	Leasehold land	Buildings and leasehold improvements	Plant and equipment	Electric installation	Furniture and fittings	Computer hardware	Vehicles ¹	Office equipment	Total	
At cost										
As at January 01, 2020	14.58	85.77	58.58	19.74	113.31	471.45	63.97	38.86	866.26	
Reclassified on adoption of Ind AS 116	(14.58)	-	-	-	(33.00)	-	-	-	(47.58)	
Additions	-	-	(1.33)	0.35	1.37	123.29	9.43	6.15	140.59	
Deletions	-	-	-	-	-	-	(2.92)	(1.87)	(39.05)	
As at December 31, 2020	-	85.77	57.25	20.09	81.68	561.81	70.48	43.14	920.22	
Additions	-	-	(1.72)	-	0.04	171.37	11.77	3.09	186.27	
Deletions	-	-	(1.72)	-	(1.74)	(8.38)	(6.03)	(0.24)	(18.11)	
As at December 31, 2021	-	85.77	55.53	20.09	79.98	724.80	76.22	45.99	1,088.38	
Accumulated Depreciation										
As at January 01, 2020	3.45	32.56	31.71	18.22	79.44	301.38	23.67	31.11	521.54	
Reclassified on adoption of Ind AS 116	(3.45)	-	-	-	(5.27)	-	-	-	(8.72)	
Charge for the year	-	3.56	4.21	0.27	1.08	64.75	8.38	4.40	86.65	
Deletions	-	-	(1.33)	-	-	(32.93)	(2.30)	(1.83)	(38.39)	
As at December 31, 2020	-	36.12	34.59	18.49	75.25	333.20	29.75	33.68	561.08	
Charge for the year	-	3.48	3.65	0.26	1.11	87.23	8.38	3.94	108.05	
Deletions	-	-	(1.72)	-	(0.61)	(8.16)	(3.74)	(0.24)	(14.47)	
As at December 31, 2021	-	39.60	36.52	18.75	75.75	412.27	34.39	37.38	654.66	
Net block										
As at December 31, 2020	-	49.65	22.66	1.60	6.43	228.61	40.73	9.46	359.14	
As at December 31, 2021	-	46.17	19.01	1.34	4.23	312.53	41.83	8.61	433.72	

Notes:

(1) Gross block of vehicles amounting to ₹ 21.69 million (as at December 31, 2020 : ₹ 22.49 million) are hypothecated against terms loans for vehicle financed from a non-banking financial corporation.

(2) Capital commitments:

Particulars	(₹ in million)	
	As at December 31, 2021	As at December 31, 2020
Estimated amount of unexecuted capital contracts (A)	35.91	14.32
Capital advances (B)	4.97	-
Net capital commitment (A-B)	30.94	14.32

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3 (b) Right-of-use assets

Particulars						(₹ in million)
	Land Leasehold	Building	Vehicles	Computer hardware	Furniture and fittings	Total
At cost						
Gross Block						
As at January 01, 2020	19.26	193.91	3.58	0.97	33.00	250.72
Additions	0.73	136.28	-	-	30.00	167.01
Deletions	-	(9.83)	-	-	-	(9.83)
As at December 31, 2020	19.99	320.36	3.58	0.97	63.00	407.90
Additions	-	-	-	-	-	-
Deletions	-	(5.86)	-	-	-	(5.86)
As at December 31, 2021	19.99	314.50	3.58	0.97	63.00	402.04
Accumulated Depreciation						
As at January 01, 2020	3.45	-	-	-	5.27	8.72
Charge for the year	1.91	34.91	1.16	0.22	6.07	44.27
Deletions	-	(9.83)	-	-	-	(9.83)
As at December 31, 2020	5.36	25.08	1.16	0.22	11.34	43.16
Charge for the year	1.97	25.32	1.16	0.22	6.33	35.00
Deletions	-	(5.86)	-	-	-	(5.86)
As at December 31, 2021	7.33	44.54	2.32	0.44	17.67	72.30
Net block						
As at December 31, 2020	14.63	295.28	2.42	0.75	51.66	364.74
As at December 31, 2021	12.66	269.96	1.26	0.53	45.33	329.74

3 (c). Investment property

Particulars			(₹ in million)
	As at December 31, 2021	As at December 31, 2020	
Cost of land and building given on operating lease			
Balance at beginning of the year	35.96	35.96	
Additions	-	-	
Balance at the end of year	35.96	35.96	
Accumulated depreciation			
Balance at beginning of the year	15.59	14.12	
Charge for the year	1.47	1.47	
Balance at the end of year	17.06	15.59	
Net block	18.90	20.37	

Measurement of fair values

Investment property consists of land and building situated at Pune, India and is accounted for at cost. The Company has estimated that the fair value of investment property as at December 31, 2021 was ₹ 92.86 million (Previous year: ₹ 92.37 million). The fair value has been determined based on current prices in an active market for similar properties. The fair value measurement for the investment property has been categorised as a Level 2.

Lease

The Company has entered into an operating lease arrangement for its investment property. Lease rentals recognised as income during the year ended December 31, 2021 and December 31, 2020 is ₹ 6.72 million and ₹ 6.44 million, respectively.

The operating lease arrangement extends for a maximum period of 3 years and has price escalation clause of 5% for every subsequent 3 years of the extended term. The lease is cancellable and there are no restrictions imposed on lease agreements.

3 (d). Intangible assets

Particulars			(₹ in million)
	As at December 31, 2021	As at December 31, 2020	
Software (at cost)			
Gross Block			
Balance at beginning of the year	55.20	136.23	
Additions	0.09	5.08	
Deletions	(3.18)	(86.11)	
Balance at the end of year	52.11	55.20	
Accumulated amortisation			
Balance at beginning of the year	51.23	135.12	
Charge for the year	1.97	2.22	
Deletions	(3.17)	(86.11)	
Balance at the end of year	50.03	51.23	
Net block	2.08	3.97	

4. Investments

Particulars			(₹ in million)
	As at December 31, 2021	As at December 31, 2020	
A. Non-current investments			
Unquoted investments (fully paid), measured at FVTPL			
Investment in Saraswat Co-operative Bank Ltd 2,500 (previous year 2,500) shares of ₹ 10 each fully paid up	0.03	0.03	
Total investment measured at FVTPL	0.03	0.03	
Investment in subsidiaries, measured at cost			
(i) Investment in R Systems, Inc., USA 2,150 (previous year 2,150) shares of "no par" value	281.17	281.17	
(ii) Investment in R Systems (Singapore) Pte. Ltd., Singapore 5,780,768 (previous year 5,780,768) ordinary shares of "no par" value	274.56	274.56	
(iii) Investment in R Systems Technologies Limited, USA 243,750 (previous year 243,750) common stock of "no par" value	10.79	10.79	
Less: Provision for diminution in the value of investment	-	(10.78)	0.01
(iv) Investment in R Systems Consulting Services Limited, Singapore 63,891,260 (previous year 63,891,260) ordinary shares of "no par" value	36.34	36.34	
Less: Provision for diminution in the value of investment	(5.53)	(5.53)	30.81
(v) Investment in R Systems Computaris International Limited, UK 66,500 (previous year 66,500) ordinary shares of GBP 0.01 each fully paid up	350.63	350.63	
(vi) Investment in RSYS Technologies Limited, Canada 200 (previous year 200) Class A common shares of CAD 1 each fully paid up 25 (previous year 25) Class B preferred shares of CAD 3,992 each fully paid up 375 (previous year 375) Class B preferred shares of CAD 4,000 each fully paid up	85.85	85.85	

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(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
(vii) Investment in IBIZ Consultancy Services India Private Limited, India 50,000 (previous year 50,000) equity shares of ₹ 10 each fully paid	0.47	0.47
Total investments measured at cost	1,034.28	1,023.50
Aggregate carrying value of Non-current unquoted investments	1,034.31	1,023.53
Provision for investments	5.53	16.31
B. Current investments		
Unquoted investments in mutual funds, measured at FVTPL		
9,139 (previous year 9,139) units of SBI Premier Liquid Fund	30.00	29.05
7,277 (previous year 7,277) units of HDFC Liquid Fund	29.96	29.02
115,669 (previous year 115,669) units of ICICI Prudential Liquid Fund	36.14	34.98
15,428 (previous year 15,428) units of Axis Liquid Fund	36.15	34.97
Total investments in mutual funds	132.25	128.02
Total current investments (unquoted)	132.25	128.02

5. Other non-current financial assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Unsecured, considered good		
Security deposits	19.74	15.75
Margin money deposits (refer to Note 8b)	29.04	25.16
Interest accrued on bank deposits	0.10	0.75
Staff advance	0.07	0.01
	48.95	41.67

6. Other non-current assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Unsecured, considered good		
Capital advances	4.97	-
Prepaid expenses	5.35	18.48
	10.32	18.48

7. Trade receivables (Unsecured)

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Considered good	839.18	658.20
Credit impaired	6.02	7.66
Less: Allowance for doubtful debts (expected credit loss allowance)	(6.02)	(7.66)
	839.18	658.20

Refer to Note 31 for related party balances.

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Ageing	Expected credit loss *
Not due-90 days	0.01%
90-180 days	0.11%
180-365 days	0.35%
More than 365 days	2.00%

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

(₹ in million)

Movement in expected credit loss allowance	Year ended December 31, 2021	Year ended December 31, 2020
Balance at the beginning of the year	7.66	2.41
Provision / (Reversal) for doubtful debts (net)	(0.04)	6.24
Bad debts written off	(1.74)	(1.17)
Effect of foreign exchange fluctuation	0.14	0.18
Balance at the end of the year	6.02	7.66

8a. Cash and cash equivalents

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
(a) Cash on hand	0.55	0.51
(b) Balances with scheduled banks		
(i) in current accounts	73.56	20.35
(ii) in EEFC accounts	111.08	210.99
(iii) in deposit accounts with original maturity of less than 3 months	250.27	423.40
(c) Balances with other banks		
(i) in current accounts	186.63	60.23
Cash and cash equivalents	622.09	715.48

8b. Other bank balances

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
(a) In other deposit accounts		
(i) original maturity more than 12 months	337.76	591.28
(ii) original maturity more than 3 months but less than 12 months	234.17	283.35
(iii) held as margin money	29.04	25.16
Deposits with banks carried at amortised costs	600.97	899.79
Less: Bank deposits with original maturity of more than 12 months disclosed under Note 9	(337.76)	(591.28)
Less: Margin money deposit disclosed under Note 5	(29.04)	(25.16)
	234.17	283.35
(b) Balances with scheduled banks		
(i) in unclaimed dividend accounts	1.82	2.14
Other bank balances	235.99	285.49

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

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8c. Cash and bank balances

(₹ in million)

S. No.	Particulars	As at December 31, 2021	As at December 31, 2020
A	Cash on Hand	0.55	0.51
	Balances with scheduled banks		
B	In current accounts		
1	ICICI Bank Limited	69.27	6.13
2	HDFC Bank Limited	0.28	1.40
3	Punjab National Bank	0.43	0.86
4	State Bank of India	-	1.45
5	Axis Bank Limited	3.58	10.46
6	Kotak Mahindra Bank Limited	-	0.05
		73.56	20.35
C	In cash credit / overdraft account*		
1	Axis Bank Limited	-	-
2	ICICI Bank Limited	-	-
		-	-
D	In EEFC accounts		
1	ICICI Bank Limited	48.84	103.43
2	Axis Bank Limited	62.24	107.56
3	Kotak Mahindra Bank Limited	-	-
		111.08	210.99
E	In deposit accounts		
1	State Bank of India	57.91	599.04
2	ICICI Bank Limited	290.91	54.29
3	Axis Bank Limited	405.88	289.90
4	Punjab National Bank	32.46	230.41
5	HDFC Bank Limited	64.08	149.55
		851.24	1,323.19
F	In unclaimed dividend accounts		
1	HDFC Bank Limited	1.82	2.14
2	ICICI Bank Limited #	0.00	-
		1.82	2.14
	Balance with other banks		
G	In current accounts		
1	California Bank & Trust, USA	186.63	56.60
2	AfrAsia Bank Limited, Mauritius	-	3.63
		186.63	60.23
	Total cash and bank balances (A+B+C+D+E+F+G)	1,224.88	1,617.41
	Cash and cash equivalents (refer to Note 8a)	622.09	715.48
	Deposits with banks (refer to Note 8b)	600.97	899.79
	Balance in unclaimed dividend accounts (refer to Note 8b)	1.82	2.14
	Total cash and bank balances	1,224.88	1,617.41

* Cash credit limit / bank guarantee / loan equivalent risk / letter of credit is secured by pari-passu charge by way of hypothecation of entire current assets and movable property excluding vehicles.

Balance in ICICI Bank Limited unclaimed dividend account is ₹ 4.90.

9. Other current financial assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Staff advance	3.18	1.80
Recoverable from related parties (refer to Note 31)	2.24	0.68
Unbilled revenue (refer to Note 19)	337.83	99.66
Security deposits	4.79	5.89
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	337.76	591.28
Mark-to-market gain on derivative instruments (refer to Note 28)	51.81	54.66
Interest accrued on bank deposits	6.90	7.88
Others	11.43	6.84
	755.94	768.69

10. Other current assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Balance with indirect tax authorities	36.79	43.59
Unbilled revenue (refer to Note 19)	0.12	1.25
Prepaid expenses	101.89	78.08
Advance to vendors	7.73	3.62
Tour and travel advance	0.33	0.04
	146.86	126.58

11. Equity share capital

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Authorised		
206,000,000 (December 31 2020: 206,000,000) equity shares of ₹ 1 each	206.00	206.00
Issued, subscribed and fully paid up		
118,303,445 (December 31 2020: 119,636,445) equity shares of ₹ 1 each	118.31	119.64
	118.31	119.64

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year:

Particulars	Year ended December 31, 2021		Year ended December 31, 2020	
	Number of shares	₹ in million	Number of shares	₹ in million
At the beginning of the year	119,636,445	119.64	120,337,925	120.34
Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note d(i) below]	8,828,489	8.83	-	-
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to Note d(i) below]	(8,828,489)	(8.83)	-	-
Buy-back of shares [refer to Note (d)(iii) below]	(1,333,000)	(1.33)	-	-
Shares cancelled pursuant to capital reduction scheme [refer to Note (f)(i) below]	-	-	(738,980)	(0.74)
Issued during the year [refer to Note (f)(ii) below]	-	-	37,500	0.04
Outstanding at the closing of the year	118,303,445	118.31	119,636,445	119.64

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

The Company does not have any holding / ultimate holding company.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) Shares issued pursuant to merger of RightMatch Holdings Limited (refer to Note 36):

The scheme of amalgamation was approved by Hon'ble National Company Law Tribunal, New Delhi vide order dated February 01, 2021 and the Supreme Court of Mauritius vide order dated September 14, 2020 and amended order dated September 21, 2020, between RightMatch Holdings Limited (RightMatch) and the Company and their respective shareholders and creditors. Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme became effective on March 09, 2021 and 8,828,489 fully paid equity shares of the face value of ₹ 1/- each of the Company were issued and allotted to the equity shareholders of RightMatch in the proportion of their respective equity shareholding in RightMatch and equivalent number of shares of the Company as held by RightMatch were cancelled and extinguished.

(ii) Shares issued pursuant to merger of GM Solutions Private Limited:

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

(iii) Shares bought back:

During the year ended December 31, 2021, the Company bought back 1.33 million equity shares of ₹ 1 each at a price of ₹ 225/- per equity share, payable in cash for a total consideration of ₹ 299.93 million by utilising the securities premium account of ₹ 46.66 million, general reserve of ₹ 155.04 million and retained earnings to the extent of ₹ 96.90 million. The capital redemption reserve was created out of retained earnings for ₹ 1.33 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on October 14, 2021. Further, the Company has apportioned ₹ 69.87 million out of retained earnings towards tax on aforesaid buy-back.

During the year ended December 31, 2019, the Company bought back 3.69 million equity shares of ₹ 1 each at a price of ₹ 65/- per equity share, payable in cash for a total consideration of ₹ 239.85 million by utilising the securities premium account to the extent of ₹ 236.16 million and general reserve to the extent of ₹ 3.69 million. The capital redemption reserve was created out of general reserve for ₹ 3.69 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on April 15, 2019.

(e) Details of shareholders holding more than 5% shares in the Company:

Name of shareholder	As at December 31, 2021		As at December 31, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
RightMatch Holdings Limited (refer to Note 36)	-	-	8,828,489	7.38
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi & Harpreet Rekhi)	11,702,623	9.89	11,818,061	9.88
Dr. Satinder Singh Rekhi	7,403,456*	6.26*	3,062,207	2.56
Sartaj Singh Rekhi	18,676,248	15.79	18,860,269	15.76
Ramneet Singh Rekhi	16,236,331	13.72	16,396,505	13.71
Bhavook Tripathi#	42,038,375	35.53	44,091,982	36.85

As per secretarial records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

* Including shares allotted pursuant to the Scheme of Amalgamation of RightMatch Holdings Limited and R Systems International Limited. (refer to Note 36)

Not having significant influence over the Company.

(f) Employees Stock Option Plan

(i) R Systems International Limited Employees Stock Option Plan – Year 2001 ('the Plan' or 'ESOP Plan 2001')

Indus Software Private Limited ('Indus') had outstanding options aggregating 21,967 equity shares as on March 31, 2002, to be issued to the eligible employees under the R Systems International Limited Employees Stock Option Plan – Year 2001 under various vesting periods as specified in the said Plan, duly approved by the erstwhile shareholders. Indus had established "R Systems Employees Welfare Trust" ('the R Systems Trust') (formerly known as Indus Software Employees Welfare Trust) to administer the plan, as approved by the members, for the benefits of the Company's employees and had provided an interest free loan of ₹ 3.38 million. Consequently, Indus had allotted 21,967 equity shares of ₹ 10 each at a premium of ₹ 144 per equity share to the R Systems Trust to be further issued to the Indus' eligible employees on the exercise of the underlying options granted to them.

As a result of the merger of Indus with the Company, all employees had surrendered their options in favour of the R Systems Trust to enable them to obtain options for shares in R Systems International Limited after the merger. The Company had issued 206,822 equity shares of ₹ 2 each at a premium of ₹ 113.42 per share to the R Systems Trust in exchange of 21,967 equity shares of Indus, apropos to the agreed swap ratio. During the earlier years out of the said 206,822 shares, 22,079 shares were issued to the employees on exercise of options.

The Company had consolidated each of its five equity shares of ₹ 2 each into one equity share of ₹ 10 each, then

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issued 1:1 bonus share to each of the then existing shareholder and further sub-divided each of the equity shares of ₹ 10 each into 10 equity shares of ₹ 1 each. Consequently, the total number of shares issued are now 738,980 equity shares of ₹ 1 each, which are treated as Treasury Shares.

The account balances of the R Systems Trust have been included in the standalone financial statements of the Company as the trust was created for the benefit of the employees and administered by the Company and in substance the R Systems Trust functions as an extension of the Company. As of January 01, 2020, an amount of ₹ 0.74 million and ₹ 2.28 million has been adjusted against issued, subscribed and paid-up capital and securities premium account, respectively.

The movement in the options (in equivalent number of shares of the Company) held by the R Systems Trust during the year ended December 31, 2021 and the year ended December 31, 2020 is set out below:

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
At the beginning		
- Grants outstanding under the plan (₹ 1 per share)	-	-
- Grants pending determination by the Compensation Committee (₹ 1 per share)	-	738,980
During the year		
- Options granted (₹ 1 per share)	-	-
- Options exercised (₹ 1 per share)	-	-
- Options/grants lapsed or surrendered (₹ 1 per share)#	-	(738,980)
At the end		
- Grants outstanding under the plan (₹ 1 per share)	-	-
- Grants pending determination by the Compensation Committee (₹ 1 per share)	-	-

Hon'ble National Company Law Tribunal, New Delhi, vide order dated January 28, 2020, had approved the reduction in share capital of the Company under Section 66 of the Companies Act, 2013. Pursuant to the said order 738,980 fully paid up equity shares of ₹1/- each of the Company as held by R Systems Employees Welfare Trust had been cancelled and extinguished.

(ii) R Systems International Limited Employee Stock Option Scheme 2007 ('the Plan' or 'ESOP Plan 2007')

During the year 2007, the Company had instituted the plan for all eligible employees as specified in the rules in pursuance of the special resolution duly approved by the shareholders. The plan provides for the issuance of 650,000 options to eligible employees as recommended by the Compensation Committee constituted for this purpose.

The plan is administered by a Compensation Committee and exercise price in respect of 632,500 options granted on July 11, 2007 is ₹ 120.70 being the latest available closing price, prior to the date of the meeting of the Board of Directors / Compensation Committee, on the stock exchange on which the shares of the Company are listed. Accordingly, the intrinsic value of Employee Stock Option is taken as ₹ Nil. Further, during the year ended December 31, 2014, the Company had sub-divided equity shares of ₹ 10 each into 10 equity shares of ₹ 1 each, the exercise price is accordingly adjusted from ₹ 120.70 per share to ₹ 12.07 per share.

On the recommendation of the Compensation Committee and Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 30, 2016, had further granted 150,000 options at an exercise price of ₹ 12.07 /- per option under R Systems International Limited Employee Stock Option Scheme 2007.

The vesting period is 4 years (25% in each year) commencing from the date of grant under the plan. The eligible employees have an option to exercise it over a period of 10 years from the date of grant under the plan.

The movement in the options during the year ended December 31, 2021 and year ended December 31, 2020 is set out below:

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
At the beginning		
- Grants outstanding under the plan (₹ 1 per share)	-	37,500
- Grants pending determination by the Compensation Committee (₹ 1 per share)	-	-
During the year		
- Options granted (₹ 1 per share)	-	-
- Options exercised (₹ 1 per share)	-	(37,500)
- Options/grants lapsed or surrendered (₹ 1 per share)	-	-
- Option lapsed for determination by the Compensation Committee on expiry of the effective date	-	-
At the end		
- Grants outstanding under the plan (₹ 1 per share)	-	-
- Grants pending determination by the Compensation Committee (₹ 1 per share)	-	-
Options vested during the year	-	37,500

For options exercised during the previous year, the weighted average share price at the exercise date was ₹ 92.32.

Fair value of share options

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Outstanding option under ESOP Plan 2001*	Outstanding option under ESOP Plan 2007
Stock option fair value using Black - Scholes option pricing	Nil	49.89
Exercise price	154.00	12.07
Expected volatility (in %)	0.5	55.32-55.83
Expected option life	2.5 years (being half of the maximum option life)	4 years i.e. 25% vesting at the end of each year from the date of grant
Exercise period	1 year from the date of grant	10 years from the date of grant
Dividend yield (in %)	15.00	1.32
Risk-free interest rate (in %)	11.30	7.84

* Originally the price was based on ₹ 10 per share for 21,967 shares. As a result of amalgamation of Indus Software Private Limited into R Systems, the Company had issued 206,822 equity shares of ₹ 2 each pursuant to the swap ratio approved by Hon'ble High Courts of Delhi and Mumbai. The details given above for plan are before making the required adjustments in relation to consolidation of each of the 5 equity shares of ₹ 2 each into 1 equity share of ₹ 10 each as approved by the shareholders in the year ended December 31, 2006 and further sub-division of each of the equity shares of ₹ 10 each into 10 equity shares of ₹ 1 each as per record date of February 28, 2014.

There is no active employees stock option plan as at the end of the current year and previous year.

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12. Other equity

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
a. Securities premium	-	46.66
Securities premium is used to record premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.		
b. Capital reserve under common control	(0.34)	(0.34)
Capital reserve under common control represent reserves recorded upon business transfer under common control. (refer to Note 36)		
c. Capital redemption reserve	5.02	3.69
Capital redemption reserve was created by transfer from general reserve of an amount equal to the nominal value of equity shares bought back by the Company. It is utilised in accordance with the provisions of the Companies Act, 2013.		
d. General reserve	-	155.04
General reserve represent the free reserve transferred from retained earnings.		
e. Retained earnings	3,427.74	3,116.03
Retained earnings comprises the Company's undistributed earnings after taxes.		
f. Other comprehensive income		
Re-measurement of defined benefit plans	(11.09)	(11.98)
Other comprehensive income consists of re-measurements of net defined benefit liability/assets (net of tax).		
Foreign currency translation reserve	-	0.18
Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
Other equity	3,421.33	3,309.28

Note:

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

13. Non-current borrowings (at amortised cost)

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Term loans		
- Motor vehicle loan from non banking financial corporation (secured)	10.61	8.12
- PPP forgivable loan	-	31.76
	10.61	39.88
Less:		
Current maturities of term loans (refer to Note 16)		
- Motor vehicle loan	4.15	4.30
- PPP forgivable loan	-	20.34
	6.46	15.24

Notes:

- (1) Motor vehicle loans are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 7.30% to 10.26% per annum. The term loans are repayable in equated monthly instalments ranging from 35 to 60 months from the date of loan.
- (2) In the year ended December 31, 2020, the Company had obtained a forgivable loan of ₹ 31.76 million (USD 431,700) under Paycheck Protection Program (PPP) by Small Business Administration, United States of America ("SBA").

During the year ended December 31, 2021, the Company received the forgiveness of the entire loan amount upon satisfaction of the underlying conditions. Consequently, the amount of loan forgiven was recognised as income and presented under the head other income. (refer to Note 20).

14. Other non-current financial liabilities

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Security deposits	3.45	2.42
Lease liabilities	345.51	359.88
	348.96	362.30

Movement schedule of lease liabilities is as follows:

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Opening balance	375.50	240.43
Additions during the year	-	160.03
Interest accrued on lease liability	35.48	35.78
Payment of lease liability	(37.87)	(48.92)
Lease rent concession	(13.12)	(11.97)
Effect of foreign exchange fluctuation	(0.08)	0.15
Closing balance	359.91	375.50
Current	14.40	15.62
Non-current	345.51	359.88

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15. Provisions

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Long-term provision for employee benefits		
- Gratuity	193.98	174.94
	193.98	174.94

Refer to Note 21 for detailed disclosures for gratuity.

16. Other current financial liabilities

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Current maturities of term loans (refer to Note 13)		
- Motor vehicle loans	4.15	4.30
- PPP forgivable loan	-	20.34
Payable to subsidiary companies	30.03	20.79
Security deposits received	10.78	10.14
Lease liabilities (refer to Note 14)	14.40	15.62
Investor education and protection fund (not due) - Unclaimed dividend	1.82	2.14
Employee benefits payable	203.14	151.00
Capital creditors	3.64	3.92
Advance from customers	2.47	-
Other financial liabilities	3.39	4.70
	273.82	232.95

17. Provisions

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Short-term provision for employee benefits		
- Gratuity	9.69	5.07
- Compensated absence	148.03	123.88
	157.72	128.95

Refer to Note 21 for detailed disclosures for gratuity.

18. Other current liabilities

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Statutory dues payable		
Tax deducted at source	30.93	19.83
Provident fund / 401K	27.50	21.01
Goods and Service Tax	4.73	3.47
Others	0.53	0.43
Unearned revenues (refer to Note 19)	71.35	160.92
	135.04	205.66

19. Revenue from operations

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Sale of services	5,775.01	4,387.15
	5,775.01	4,387.15

Disaggregate revenue information

The table below presents disaggregated revenues from the Company's contracts with customers by geography and customer's industry type. The Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenue by geography:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
India	262.62	133.27
North America	4,835.30	3,651.54
South East Asia	84.26	80.70
Europe	580.95	512.17
Others	11.88	9.47
	5,775.01	4,387.15

Revenue by customer's industry type:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Technology	3,141.85	2,557.81
Telecom	351.63	319.50
Healthcare and life science	740.23	431.76
Finance and insurance	604.20	492.99
Others	937.10	585.09
	5,775.01	4,387.15

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue.

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

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Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts as revenue. Applying the practical expedients as given in IND AS 115, the Company has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations, adjustment of revenue that has not materialised and adjustments for currency.

Disclosure relating to remaining performance obligation relating to fixed bid price contracts require the aggregate amounts of transaction price yet to be recognised as revenue at the reporting date and expected timelines to recognise these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

20. Other income

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Interest income on		
- Bank deposits	55.75	46.43
- Financial instruments measured at amortised cost	0.84	0.92
- Other	7.70	-
Dividend received from subsidiaries (refer to Note 31)	238.88	-
Forgiveness of PPP Loan (refer to Note 13)	31.76	-
Rental income from investment property	6.72	6.44
Foreign exchange fluctuation (net)	96.39	47.22
Reversal of provision for doubtful debts (net)	0.04	-
Profit on sale of property, plant and equipment (net)	-	0.04
Lease rent concession (refer to Note 14)	13.12	11.97
Net gain arising on financial assets measured at FVTPL	4.23	12.43
Reversal of provision for diminution in value of investments (refer to Note 35)	10.78	-
Miscellaneous income	1.06	0.48
	467.27	125.93

21. Employee benefits expense

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Salaries, wages and bonus	3,714.72	2,775.18
Gratuity expenses	39.48	31.63
Contribution to provident and other funds	136.96	103.30
Employees' share based payments expense	-	0.15
Staff welfare expenses	78.72	61.74
	3,969.88	2,972.00

(a) The Code on Social Security, 2020 (the 'Code')

The Code relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the Code will come into

effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) Gratuity

The Company has funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months subject to a maximum of ₹ 2 million.

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

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Service cost	29.87	23.52
Net interest cost	9.61	8.11
Net gratuity expense recognised in profit and loss	39.48	31.63
Re-measurement loss / (gain) recognised in OCI	(1.31)	15.79
Total Cost Recognised in Comprehensive Income	38.17	47.42

Details of defined benefit gratuity plan:

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Defined benefit obligation	226.26	200.13
Fair value of plan assets	22.59	20.12
Net defined benefit obligation	203.67	180.01

Changes in the defined benefit obligation are as follows:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Opening defined benefit obligation	200.13	158.81
Service cost	29.87	23.52
Interest cost	10.76	9.81
Benefits paid	(15.93)	(7.64)
Actuarial (gains) / losses on obligation	1.43	15.63
Closing defined benefit obligation	226.26	200.13

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

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Opening fair value of plan assets	20.12	25.61
Expected return	1.15	1.70
Contributions by the employer	14.51	0.61
Benefits paid	(15.93)	(7.64)
Actuarial gains / (losses) on plan assets	2.74	(0.16)
Closing fair value of plan assets	22.59	20.12

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Amounts recognised in other comprehensive income:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Actuarial (gain) / loss due to demographic assumption changes in defined benefit obligation	(8.55)	-
Actuarial (gain) / loss due to financial assumption changes in defined benefit obligation	(4.32)	14.19
Actuarial (gain) / loss from experience adjustment changes in defined benefit obligation	14.30	1.44
Return on plan assets (greater) / less than discount rate	(2.74)	0.16
Re-measurement loss / (gain) recognised in OCI	(1.31)	15.79

Sensitivity Analysis

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

(₹ in million)

Defined Benefit Obligation	As at December 31, 2021	As at December 31, 2020
Discount rate		
a. Discount rate - 100 basis points	242.89	216.77
b. Discount rate + 100 basis points	211.66	185.72
Salary increase rate		
a. Rate - 100 basis points	213.24	186.97
b. Rate + 100 basis points	240.09	213.80

Maturity Profile of Defined Benefit Obligation

(₹ in million)

Expected Future Cash flows (undiscounted)	As at December 31, 2021	As at December 31, 2020
Year 1	32.29	25.18
Year 2	25.58	19.07
Year 3	22.88	17.51
Year 4	22.70	15.38
Year 5	23.91	15.71
Year 6 to10	71.75	56.09
Year 10 +	183.71	206.45

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

	As at December 31, 2021	As at December 31, 2020
Investments with Life Insurance Corporation of India	100%	100%

The principal assumptions used in determining gratuity are shown below:

(A) Financial Assumption

	As at December 31, 2021	As at December 31, 2020
Discount rate	6.27%	5.74%
Increment rate	First year 10%, thereafter 7%	First year 10%, thereafter 7%

(B) Demographic Assumptions

	As at December 31, 2021	As at December 31, 2020
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	Below Age 30 Yrs. - 35%	Below Age 30 Yrs. - 35%
	Age 30 to 34 Yrs. - 25%	Age 30 to 34 Yrs. - 22%
	Age 34 to 44 Yrs. - 18%	Age 34 to 44 Yrs. - 17%
	Age 44 to 50 Yrs. - 7%	Age 44 to 50 Yrs. - 3%
	Age 50 to 54 Yrs. - 5%	Age 50 to 54 Yrs. - 2%
	Above Age 54 Yrs. -1%	Above Age 54 Yrs. -1%
Retirement age	60 Yrs.	60 Yrs.

22. Finance costs

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Interest expense on term loans	0.73	1.20
Interest expense on lease liabilities (refer to Note 14)	35.48	35.78
Interest under income tax	2.05	0.04
	38.26	37.02

23. Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Depreciation of property, plant and equipment	108.05	86.65
Depreciation on right-of-use assets	35.00	44.27
Depreciation on investment property	1.47	1.47
Amortisation of intangible assets	1.97	2.22
	146.49	134.61

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24. Other expenses

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Power and fuel	26.58	30.24
Rent - premises	24.25	13.84
Software subscription charges	105.68	79.70
Repair and maintenance	37.96	45.67
Commission	17.52	15.04
Travelling and conveyance	64.51	61.39
Communication costs	71.62	76.75
Legal and professional fees (including subcontracting expenses)	218.57	132.83
Auditors' remuneration (refer detail below)	6.10	5.69
Provision for doubtful debts (net)	-	6.24
Loss on sale / discard of property, plant and equipment (net)	1.10	-
Contribution towards corporate social responsibility (refer detail below)	11.49	5.26
Miscellaneous expenses	143.34	81.00
	728.72	553.65

(i) Detail of auditors remuneration

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
As auditor of the Company:		
Audit fee		
- Statutory audit fee	2.08	1.87
- Quarterly audit fee	3.02	2.73
- Out-of-pocket expenses	0.15	0.69
In other capacity:		
- Certification	0.85	0.40
	6.10	5.69

(ii) Contribution towards corporate social responsibility

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Amount required to be spent by the Company during the year	11.40	8.55
Amount spend by the Company in accordance with its Corporate Social Responsibility Policy	11.49	5.26

25. Income tax

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Current income tax		
In respect of the current year	245.27	157.63
In respect of the prior periods	-	(7.77)
Deferred tax credit	(43.81)	(31.13)
Income tax expense recognised in the statement of profit and loss	201.46	118.73
Income tax recognised in other comprehensive income		
Deferred tax arising on income and expense recognised in other comprehensive income		
Net loss / (gain) on re-measurement of defined benefit plan	0.42	(4.60)
	201.88	114.13

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Profit before tax	1,358.93	815.80
Enacted income tax rate in India	34.94%	29.12%
Computed expected tax expense	474.86	237.56
Tax effect of:		
Income exempt from tax	(167.32)	(113.38)
Temporary differences reversing during the tax holiday period	3.27	3.30
Deduction in relation to dividend income	(83.47)	-
Expenses that are not deductible in determining taxable profit	2.62	1.55
Tax pertaining to prior years	-	(7.77)
Income chargeable at different tax rate	-	(1.79)
Change in corporate tax rate	(27.32)	-
Others	(1.18)	(0.74)
Income tax expense recognised in the statement of profit and loss	201.46	118.73

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Deferred tax

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

(₹ in million)

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

Deferred tax assets / (liabilities) as at December 31, 2020 in relation to:

(₹ in million)

Particulars	As at January 01, 2020	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at December 31, 2020
Difference between accounting base and tax base for depreciable assets	(11.62)	(2.64)	-	(14.26)
Provision for doubtful debts	0.68	(0.03)	-	0.65
Provision for gratuity	38.79	9.03	4.60	52.42
Other employee benefits	32.13	7.90	-	40.03
Mark-to-market gain on derivative instruments	(2.55)	(7.03)	-	(9.58)
Net gain arising on financial assets measured at FVTPL	(8.57)	3.32	-	(5.25)
Difference in accounting base and tax base of right-of-use assets and lease liabilities *	4.48	6.70	-	11.18
MAT credit entitlement	-	13.88	-	13.88
Total	53.34	31.13	4.60	89.07

* Deferred tax on difference in accounting base and tax base of right-of-use assets and lease liabilities represent the impact of transition to Ind AS 116.

The Company has two units at Greater Noida registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

A significant portion of the profits of the Company's operations are exempt from income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the Special Economic Zone Act, 2005 scheme, units in designated Special Economic Zones providing service on or after April 1, 2005 will be eligible for a

deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further period of five years subject to the unit meeting defined conditions.

26. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. The Company did not have any potentially dilutive securities in any of the years presented.

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Net profit after tax (₹ in million)	1,157.47	697.07
Weighted average number of equity shares for calculating Basic and Diluted EPS	119,347,933	119,617,859
Earnings per share (Face value of shares ₹ 1)		
Basic and Diluted (₹)	9.70	5.83

27. Financial instruments

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

(₹ in million)

Particulars	Note reference	Basis of measurement	As at December 31, 2021		As at December 31, 2020		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
Assets							
Investments in subsidiaries	4	At cost	1,034.28	1,034.28	1,023.50	1,023.50	
Investments in other equity instruments	4	FVTPL	0.03	0.03	0.03	0.03	Level 3
Investments in mutual funds	4	FVTPL	132.25	132.25	128.02	128.02	Level 1
Trade receivables	7	Amortised cost	839.18	839.18	658.20	658.20	
Cash and cash equivalents	8a	Amortised cost	622.09	622.09	715.48	715.48	
Other bank balances	8b	Amortised cost	235.99	235.99	285.49	285.49	
Mark-to-market gain on derivative instruments	9	FVTPL	51.81	51.81	54.66	54.66	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	753.08	753.08	755.70	755.70	
Total			3,668.71	3,668.71	3,621.08	3,621.08	
Liabilities							
Borrowings	13	Amortised cost	10.61	10.61	39.88	39.88	
Trade payables		Amortised cost	69.78	69.78	38.86	38.86	
Other financial liabilities	14,16	Amortised cost	618.63	618.63	570.61	570.61	
Total			699.02	699.02	649.35	649.35	

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

28. Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to foreign currency risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by team that has the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Foreign currency risk

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars and Euros). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Rupees may decrease or vice versa.

Derivative financial instruments

The Company holds foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has not applied hedge accounting as these forward contracts do not qualify for hedge accounting. As at December 31, 2021, the Company has recognised mark-to-market asset of ₹ 51.81 million (previous year : ₹ 54.66 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market loss of ₹ 2.85 million (previous year mark-to-market gain of ₹ 41.37 million) for the year ended December 31, 2021 recorded as foreign exchange fluctuation.

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

Particulars	As at December 31, 2021	As at December 31, 2020
USD		
Foreign currency (million)	32.70	26.00
Average rate	77.22	76.97
Rupees (million)	2,525.15	2,001.21
EURO		
Foreign currency (million)	2.10	2.35
Average rate	91.47	88.82
Rupees (million)	192.09	208.72

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of December 31, 2021 and December 31, 2020:

As at December 31, 2021	Designated in foreign currency			Total
	USD	EURO	Others#	
Trade receivables	597.16	102.05	77.16	776.37
Other financial assets	5.11	-	1.82	6.93
Cash and cash equivalents	295.66	0.52	1.53	297.71
Trade and other payable	50.02	-	21.64	71.66

(₹ in million)

As at December 31, 2020	Designated in foreign currency			Total
	USD	EURO	Others#	
Trade receivables	478.24	80.38	75.19	633.81
Other financial assets	1.18	-	1.87	3.05
Cash and cash equivalents	250.12	16.60	0.87	267.59
Trade and other payable	67.54	-	15.46	83.00

(₹ in million)

Others include currencies such as SGD, GBP and CAD.

Foreign currency sensitivity analysis

For the year ended December 31, 2021 and December 31, 2020, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Company's profit before tax margin by approximately 1.18% and 1.57%, respectively.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from deposits held with banks, investments with financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	(₹ in million)	
	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from top customer	245.19	239.84
Revenue from top 5 customers	999.61	954.35

No customer accounted for more than 10% of the revenue for the year ended December 31, 2021 and December 31, 2020. Further, no customer accounted for more than 10% of the receivable as at December 31, 2021 and December 31, 2020.

Investments including bank deposits

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

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Liquidity risk

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

As at December 31, 2021, the Company had a working capital of ₹ 2,067.99 million including cash and cash equivalents and current fixed deposits of ₹ 1,194.02 million and current investments of ₹ 132.25 million. As at December 31, 2020, the Company had a working capital of ₹ 2,028.26 million including cash and cash equivalents and current fixed deposits of ₹ 1,590.11 million and current investments of ₹ 128.02 million. Accordingly, no liquidity risk is perceived.

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

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Less than 1 year		
Borrowings	4.15	24.64
Trade payables	69.78	38.86
Other financial liabilities	269.67	208.31
More than 1 year		
Borrowings	6.46	15.24
Other financial liabilities	348.96	362.30

29. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective, when managing capital, is to maintain an optimal structure so as to maximise shareholder value. The capital structure is as follows:

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Total equity attributable to the equity share holders of the Company	3,539.64	3,428.92
As percentage of total capital	90.52%	89.19%
Borrowings (including current maturities)	10.61	39.88
Lease liabilities (including current maturities)	359.91	375.50
Total borrowings and lease liabilities	370.52	415.38
As percentage of total capital	9.48%	10.81%
Total capital (equity, borrowings and lease liabilities)	3,910.16	3,844.30

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

30. Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided. The CODM has identified the following as its reportable segments.

- Information technology services
- Business process outsourcing services (knowledge service)

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities of the Company are used interchangeably between segments and the CODM does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.

Geographic segments are based on the areas in which the major customers of the Company operate and / or the area in which the assets are located. Although the Company's major operating divisions are managed on a worldwide basis, they operate in five principal geographical areas of the world which are: India, North America, South East Asian countries, Europe and Other areas.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The following table provides required information for reportable segments for the year ended December 31, 2021 and December 31, 2020:

Particulars	Year ended						Total
	Information technology services		Business process outsourcing services		Corporate and others		
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	
REVENUE							
External sales	4,947.04	3,700.67	827.97	686.48	5,775.01	4,387.15	4,387.15
Total revenue	4,947.04	3,700.67	827.97	686.48	5,775.01	4,387.15	
RESULTS							
Segment results	934.93	745.72	200.96	129.63	1,135.89	875.35	875.35
Unallocated corporate expenses					(95.36)	(88.75)	(88.75)
Operating profit					1,040.53	786.60	786.60
Finance costs					(38.26)	(37.02)	(37.02)
Interest income					64.29	47.35	47.35
Other unallocable income					292.37	18.87	18.87
Tax expense					(201.46)	(118.73)	(118.73)
Profit for the year					1,157.47	697.07	697.07
Other segment information							
Depreciation and amortisation	139.36	125.50	5.66	7.64	1.47	146.49	134.61

Refer to Note 19 for geography-wise revenue.

Refer to Note 28 on financial risk management for information on revenue from major customers.

31. Related Party Disclosures

(i) Names of related parties:

Subsidiaries	
	» R Systems (Singapore) Pte Ltd, Singapore
	» R Systems, Inc., USA
	» R Systems Technologies Limited, USA
	» R Systems Consulting Services Limited, Singapore (formerly known as ECnet Ltd, Singapore)
	» R Systems Computaris International Limited, UK (formerly known as Computaris International Limited, UK)
	» R SYS Technologies Limited, Canada
	» IBIZ Consultancy Services India Private Limited, India
	Following is the subsidiary of R Systems, Inc., USA:
	• Innovizant LLC, USA (merged with R Systems, Inc. USA w.e.f. August 31, 2021)
	Following are the subsidiaries of R Systems Consulting Services Ltd, Singapore:
	• R Systems Consulting Services (M) Sdn. Bhd., Malaysia (formerly known as ECnet (M) Sdn. Bhd. Malaysia)
	• R Systems Consulting Services (Thailand) Co., Ltd., Thailand (formerly known as ECnet Systems (Thailand) Co. Ltd., Thailand)
	• R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China (formerly known as ECnet (Shanghai) Co. Ltd.)
	• R Systems Consulting Services (Hong Kong) Limited, Hong Kong (formerly known as ECnet (Hong Kong) Ltd., Hong Kong)
	• R Systems Consulting Services Kabushiki Kaisha, Japan (formerly known as ECnet Kabushiki Kaisha, Japan)
	Following are the subsidiaries of R Systems Computaris International Limited, UK:
	• R Systems Computaris Europe S.R.L., Romania (formerly known as Computaris Romania Srl, Romania)
	• R Systems Computaris Poland sp z o.o., Poland (formerly known as Computaris Polska sp z o.o., Poland)
	• R Systems Computaris S.R.L., Moldova (formerly known as ICS Computaris International Srl, Moldova)
	• R Systems Computaris Malaysia Sdn. Bhd., Malaysia (formerly known as Computaris Malaysia Sdn. Bhd., Malaysia)
	• R Systems Computaris Philippines Pte. Ltd. Inc., Philippines (formerly known as Computaris Philippines Pte. Ltd. Inc., Philippines)
	• R Systems Computaris Suisse Sàrl, Switzerland (formerly known as Computaris Suisse Sarl, Switzerland)

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	<p>Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore:</p> <ul style="list-style-type: none"> • R Systems IBIZCS Pte. Ltd., Singapore (formerly known as IBIZ Consulting Pte. Ltd., Singapore) with the following step down subsidiaries: <ul style="list-style-type: none"> » IBIZ Consulting Services Pte Ltd, Singapore » R Systems IBIZCS Sdn. Bhd., Malaysia (formerly known as IBIZ Consulting Services Sdn. Bhd., Malaysia) » PT RSYSTEMS IBIZCS International, Indonesia (formerly known as PT. IBIZCS Indonesia, Indonesia) » IBIZ Consulting (Thailand) Co. Ltd, Thailand » IBIZ Consulting Services Limited, Hong Kong (IBIZ HK) <ul style="list-style-type: none"> o IBIZ Consulting Services (Shanghai) Co., Ltd, People's Republic of China (wholly owned subsidiary of IBIZ HK)
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Names of other related parties with whom transactions have been taken during the year ended December 31, 2021:

Key management personnel	<p>a. Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer</p> <p>b. Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director</p> <p>c. Avirag Jain, Director & Chief Technology Officer</p> <p>d. Ruchica Gupta, Non-Executive Independent Director</p> <p>e. Kapil Dhameja, Non-Executive Independent Director</p> <p>f. Aditya Wadhwa, Non-Executive Independent Director</p> <p>g. Nand Sardana, Chief Financial Officer</p> <p>h. Bhasker Dubey, Company Secretary & Compliance Officer</p>
Relatives of Key management Personnel	<p>a. Ramneet Singh Rekhi, (related to Dr. Satinder Singh Rekhi) President – R Systems</p> <p>b. Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Chief Operating Officer – R Systems USA Operations</p> <p>c. Kuldeep Baldev Singh [related to Lt. Gen. Baldev Singh (Retd.)]</p> <p>d. Harpreet Rekhi, (related to Dr. Satinder Singh Rekhi)</p> <p>e. Sartaj Singh Rekhi, (related to Dr. Satinder Singh Rekhi)</p> <p>f. Amrita Rekhi, (related to Dr Satinder Singh Rekhi)</p> <p>g. Anita Behl, (related to Dr. Satinder Singh Rekhi)</p>
Enterprises where key management personnel or their relatives exercise significant influence	<p>a. The Satinder and Harpreet Rekhi Family Trust, USA</p>

(ii) Details of transactions with related parties for the year ended December 31, 2021 and December 31, 2020:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from information technology and BPO services rendered to		
R Systems Consulting Services Limited, Singapore	51.63	56.84
R Systems, Inc., USA	29.12	29.51
R Systems (Singapore) Pte Ltd, Singapore	7.75	-
RSYS Technologies Limited, Canada	133.11	67.17
R Systems Computaris International Limited, UK	-	6.97
R Systems Computaris Europe SRL, Romania	86.13	68.52
R Systems IBIZCS Pte. Ltd., Singapore	18.15	16.93
R Systems Computaris Poland sp z o.o, Poland	-	0.49
PT. RSYSTEMS IBIZCS International, Indonesia	6.73	6.93
IBIZ Consultancy Services India Private Limited, India	0.06	1.29
Total	332.68	254.65
Sales and support services received from		
RSYS Technologies Limited, Canada	62.87	43.74
Total	62.87	43.74
Travel and other expenses reimbursed by the Company to		
R Systems Consulting Services Limited, Singapore	0.07	0.03
RSYS Technologies Limited, Canada	0.21	1.14
R Systems, Inc., USA	21.83	20.19
R Systems (Singapore) Pte. Ltd, Singapore	8.87	9.75
Innovizant LLC, USA	-	0.10
Total	30.98	31.21
Travel and other expenses reimbursed to the Company by		
R Systems Consulting Services Limited, Singapore	2.82	1.50
R Systems, Inc., USA	3.92	4.43
R Systems (Singapore) Pte. Ltd, Singapore	0.17	0.15
RSYS Technologies Limited, Canada	0.29	1.31
R Systems IBIZCS Pte. Ltd., Singapore	0.13	0.16
R Systems Computaris International Limited, UK	8.04	0.46
R Systems Computaris Europe SRL, Romania	0.13	0.01
Dr. Satinder Singh Rekhi	-	7.39
Total	15.50	15.41
Reimbursement to the Company for purchase of assets on behalf of		
R Systems, Inc., USA	0.36	-
Total	0.36	-
Reimbursement by the Company for purchase of assets to		
R Systems, Inc., USA	0.07	1.75
R Systems (Singapore) Pte. Ltd, Singapore	-	0.06
Total	0.07	1.81

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(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Investment in shares of subsidiary		
RSYS Technologies Limited, Canada	-	27.67
Total	-	27.67
Dividend received subsidiary		
R Systems Computaris International Limited, UK	172.94	-
R Systems (Singapore) Pte Ltd, Singapore	65.94	-
Total	238.88	-
Remuneration to key management personnel		
Short term employee benefits	144.46	121.62
Post-employment benefits	0.19	0.39
Other long-term employee benefits	0.22	0.63
Share based payments	-	0.15
Sitting fee to independent directors	0.81	0.68
Total	145.68	123.47
Shares buyback		
The Satinder and Harpreet Rekhi Family Trust, USA	25.97	-
Sartaj Singh Rekhi	41.40	-
Ramneet Singh Rekhi	36.04	-
Dr. Satinder Singh Rekhi	16.42	-
Lt. Gen. Baldev Singh (Retd.)	0.02	-
Harpreet Rekhi	11.36	-
Nand Sardana	0.44	-
Total	131.65	-
Dividend Paid#		
The Satinder and Harpreet Rekhi Family Trust, USA	66.99	17.73
Sartaj Singh Rekhi	106.91	28.89
Ramneet Singh Rekhi	92.95	24.60
Dr. Satinder Singh Rekhi	42.38	11.12#
Mandeep Singh Sodhi	2.71	0.88
Lt. Gen. Baldev Singh (Retd.)	0.05	0.15
Kuldeep Baldev Singh	2.12	0.01
Anita Behl	2.09	0.00*
Harpreet Rekhi	29.19	8.73#
Amrita Rekhi	0.00@	1.31
Nand Sardana	1.12	0.24
Avirag Jain	0.00@	0.00*
Total	346.51	93.66
Rent		
Dr. Satinder Singh Rekhi & Harpreet Rekhi	8.76	8.78
Total	8.76	8.78

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

* Dividend paid to: (a) Anita Behl ₹ 2,546; (b) Avirag Jain ₹ 150

Includes dividend paid by RightMatch Holdings Limited amounting to ₹ 6.53 million.

(iii) Outstanding balances of related parties as at December 31, 2021 and December 31, 2020:

(₹ in million)

Balance Outstanding	As at December 31, 2021	As at December 31, 2020
Trade Receivables		
R Systems Consulting Services Limited, Singapore	14.74	14.62
R Systems, Inc., USA	2.44	5.37
RSYS Technologies Limited, Canada	38.14	32.70
R Systems (Singapore) Pte Ltd, Singapore	1.73	-
R Systems Computaris Europe SRL, Romania	17.44	21.43
R Systems IBIZCS Pte. Ltd., Singapore	1.30	1.39
IBIZ Consultancy Services India Private Limited, India	-	0.21
PT. RSYSTEMS IBIZCS International, Indonesia	0.92	0.45
Total	76.71	76.17
Other current financial assets		
R Systems Consulting Services Limited, Singapore	0.32	-
R Systems, Inc., USA	1.91	0.30
RSYS Technologies Limited, Canada	0.01	0.38
Total	2.24	0.68
Other current liabilities		
R Systems Consulting Services Limited, Singapore	0.07	0.03
R Systems, Inc., USA	8.39	5.33
R Systems (Singapore) Pte Ltd, Singapore	3.26	2.47
RSYS Technologies Limited, Canada	18.31	12.96
Total	30.03	20.79
Assets obtained free of cost on returnable basis		
R Systems, Inc., USA	2.95	5.37
Total	2.95	5.37
Balance payable to key management personnel		
Dr. Satinder Singh Rekhi	11.15	12.29
Lt. Gen. Baldev Singh (Retd.)	0.87	0.60
Avirag Jain	1.87	1.48
Nand Sardana	1.26	0.76
Total	15.15	15.13

Also refer Note 36.

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TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

32. Computation of net profit under Section 198 of the Companies Act, 2013 for calculation of managerial remuneration under Section 197 of the Companies Act, 2013.

(₹ in million)

Sl. No.	Particulars	Year ended December 31, 2021	Year ended December 31, 2020
A	Total comprehensive income	1,158.18	686.06
B	Add:		
(i)	Loss / (profit) on sale / discarding of property, plant and equipment	1.10	(0.04)
(ii)	Deficit / (Surplus) in profit and loss on measurement of assets/ liabilities at fair value	3.73	(46.09)
(iii)	Tax expense (including tax relating to re-measurements of the defined benefit plans)	201.88	114.13
(iv)	Depreciation and amortisation expense	146.49	134.61
(v)	Realised gain on sale of liquid mutual funds	-	23.86
(vi)	Impact of merger of RightMatch Holdings Limited (refer to Note 36)	-	3.72
		353.20	230.19
C	Less:		
(i)	Reversal of provision for diminishing in value of investment	10.78	-
(ii)	Depreciation and amortisation expense	146.49	134.61
(iii)	Reversal / (Provision) for doubtful debts	0.04	(6.24)
(iv)	Bad debts written off	1.74	1.17
(v)	Interest income on financial instruments measured at amortised cost	0.84	0.92
		159.89	130.46
	Net Profit for the year (A+B-C)	1,351.49	785.79
D	Add:		
	Remuneration paid to the whole time directors	62.35	60.29
E	Net Profit for the purpose of managerial remuneration	1,413.84	846.08
	Overall maximum remuneration to all managerial personnel at 10% of the net profits as calculated above	141.38	84.61
	Overall maximum remuneration to individual managerial personnel at 5% of the net profits as calculated above	70.69	42.30

33. During the year ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based upon the information and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	As at December 31, 2021	As at December 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

34. The Company has paid first interim dividend of ₹ 2.5/- per equity share of face value of Re. 1/- each on July 14, 2021.
- The Company has paid second interim dividend of ₹ 3.20/- per equity share of face value of Re. 1/- each on November 26, 2021.
35. During the year ended December 31, 2021 the Company has reversed the provision recorded in earlier years towards diminution in the value of investment amounting to ₹10.78 million for R Systems Technologies Limited, USA considering its net worth exceeds the investment amount and its future business plan.
36. The Hon'ble National Company Law Tribunal, New Delhi Bench vide its order dated February 01, 2021 has approved the scheme of amalgamation between R Systems International Limited (Transferee Company) and RightMatch Holdings Limited (Transferor Company) and their respective Shareholders and Creditors (the Scheme) under Section 230 to 232 of the Companies Act, 2013. The purpose of the amalgamation was to simplify the shareholding structure by reducing the shareholding tiers and also to demonstrate the promoters' direct commitment to and engagement with the Transferee Company.

Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme became effective on March 09, 2021. As per the Scheme, the appointed date was January 01, 2020.

In accordance with the Scheme, 8,828,489 (Eighty eight lakhs twenty eight thousand four hundred eighty nine) fully paid up equity shares of the face value of Re. 1/- each of the Transferee Company has been issued and allotted to the equity shareholders of Transferor Company in the proportion of their respective equity shareholding in Transferor Company. Upon the issuance and allotment of aforesaid shares, the existing 8,828,489 equity shares of the Transferee Company as held by the Transferor Company have been extinguished. Further, the Scheme envisages transfer of all rights and obligations, assets

NOTES

TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

and liabilities, interests and claims of the Transferor Company to the Transferee Company with effect from the appointed date.

The amalgamation has been accounted for under the "Pooling of interest" method referred to in Appendix C of IND AS 103 – Business Combination of Entities under Common Control, as prescribed by the Scheme. Accordingly, all the assets, liabilities and other reserves of the Transferor Company as on January 01, 2020 have been aggregated with those of the Transferee Company at their respective book values. The comparative financial information in the standalone financial statements of the Transferee Company have been restated for the accounting impact of amalgamation, as if the amalgamation had occurred from the beginning of the comparative period.

Details of assets, liabilities and reserves of the Transferor Company as on January 01, 2020 and December 31, 2020 are as follows:

(₹ in million)

Particulars	As at January 1, 2020	As at December 31, 2020
Assets		
Current financial assets (Dividend receivable)	13.25	-
Cash and cash equivalents	6.18	3.63
Other current assets (Prepaid expenses)	0.31	0.36
Total Assets (A)	19.74	3.99
Liabilities		
Trade payables	0.32	0.56
Other current financial liabilities	0.54	1.33*
Total Liabilities (B)	0.86	1.89
Excess of assets over liabilities recognised in other equity (A-B)	18.88	2.10

* Balance amount received in advance from the erstwhile shareholders of the Transferor Company towards amalgamation expenses and remain unutilised as on that date.

The total comprehensive income for the year ended December 31, 2020 has been adjusted to give effect of amalgamation. Consequent to this restatement, the profit after tax and total comprehensive income for the year ended December 31, 2020 is lower by ₹ 3.90 million and ₹ 3.72 million respectively and earnings per share is reduced by ₹ 0.03. Further, the shareholder of the Transferor Company has reimbursed expenses amounting to ₹ 7.39 million pursuant to this merger. Subsequent to the Appointed Date, the Transferor Company has paid dividend of ₹ 13.06 million to its shareholders.

37. Subsequent to year ended December 31, 2021, the Company has received approval from Department of Commerce, Ministry of Commerce & Industry, Government of India for expansion of its existing Special Economic Zone units located at Greater Noida West (NCR) for additional space of approximate 48,320 sq. ft.

38. The financial statements have been approved by the Board of Directors at its meeting held on February 18, 2022.

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

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

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

sd/-
NAND SARDANA
Chief Financial Officer

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : Singapore
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Place : New Delhi
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

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CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of R SYSTEMS INTERNATIONAL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of R Systems International Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at December 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 reports of other auditors on separate financial statements of the subsidiaries referred to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at December 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate

to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report and Risk Management Report, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The

respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- i. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branch and entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction,

INDEPENDENT AUDITOR'S REPORT

supervision and performance of the audit of the financial statements of such branch and entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements of 23 subsidiaries, whose financial statements reflect total assets of ₹ 2,142.15 million as at December 31, 2021, total revenues of ₹ 4,071.72 million for the year ended December 31, 2021, total net profit after tax of ₹ 347.10 million for the year ended December 31, 2021 and total comprehensive income of ₹ 343.77 million for the year ended December 31, 2021 and net cash outflows of ₹ 180.69 million for the year ended December 31, 2021 respectively as considered in the consolidated financial statement. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent Company as on December 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on December 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the

operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of 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 Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our

information and according to the explanations given to us:

- i. There were no pending litigations which would impact the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

JITENDRA AGARWAL

(Partner)

(Membership No. 87104)

Place: New Delhi

Date: February 18, 2022

(UDIN:22087104ADCNCJ8581)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended December 31, 2021, we have audited the internal financial controls over financial reporting of R Systems International Limited (hereinafter referred to as “Parent”) and its subsidiary company, which is a company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which is a company 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is a company incorporated in India, in terms of their report referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matter section below, the Parent and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2021, based on “the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated

in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

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

JITENDRA AGARWAL
(Partner)
(Membership No. 87104)
(UDIN:22087104ADCNCJ8581)

Place: New Delhi
Date: February 18, 2022

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2021

(₹ in million)

	Notes	As at December 31, 2021	As at December 31, 2020
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3 (a)	583.58	471.67
(b) Right-of-use assets	3 (b)	528.30	470.42
(c) Capital work in progress	3 (c)	-	0.21
(d) Investment property	3 (d)	18.90	20.37
(e) Goodwill	3 (e)	97.54	97.24
(f) Other intangible assets	3 (f)	39.19	49.12
(g) Financial assets			
(i) Investment	4	0.03	0.03
(ii) Other financial assets	5	88.64	79.53
(h) Deferred tax assets (net)	26	174.08	133.44
(i) Non-current tax assets (net)		22.59	67.13
(j) Other non-current assets	6	12.78	18.84
Total non-current assets (A)		1,565.63	1,408.00
B. Current assets			
(a) Financial assets			
(i) Investments	4	132.25	128.02
(ii) Trade receivables	7	1,779.76	1,312.54
(iii) Cash and cash equivalents	8a	2,043.68	2,135.84
(iv) Other bank balances	8b	235.99	370.62
(v) Other financial assets	9	899.89	889.51
(b) Other current assets	10	266.12	251.62
Total current assets (B)		5,357.69	5,088.15
Total assets (A+B)		6,923.32	6,496.15
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11	118.31	119.64
(b) Other equity	12	4,484.65	4,148.61
Total equity attributable to equity shareholders of the Company		4,602.96	4,268.25
Non controlling interests		-	-
Total equity (A)		4,602.96	4,268.25
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	6.46	83.62
(ii) Other financial liabilities	14	484.28	472.05
(b) Provisions	15	193.98	174.94
Total non-current liabilities (B)		684.72	730.61
C. Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	36	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		360.82	216.53
(ii) Other financial liabilities	16	503.97	491.36
(b) Provisions	17	253.95	224.01
(c) Current tax liability (net)		65.45	67.14
(d) Other current liabilities	18	451.45	498.25
Total current liabilities (C)		1,635.64	1,497.29
Total liabilities (B+C)		2,320.36	2,227.90
Total equity and liabilities (A+B+C)		6,923.32	6,496.15

Notes forming integral part of the consolidated financial statements

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In terms of our report attached

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

sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

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

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

sd/-
NAND SARDANA
Chief Financial Officer

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : New Delhi
Date : February 18, 2022

Place : Singapore
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Place : New Delhi
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 2021

(₹ in million)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
A Income			
(i) Revenue from operations	19	11,556.39	8,805.91
(ii) Other income	20	418.96	129.00
Total income		11,975.35	8,934.91
B Expenses			
(i) Employee benefits expense	21	7,798.25	6,116.27
(ii) Finance costs	22	49.12	56.66
(iii) Depreciation and amortisation expense	23	276.93	256.04
(iv) Other expenses	24	2,150.33	1,525.08
Total expenses		10,274.63	7,954.05
C Profit before tax and exceptional items (A-B)		1,700.72	980.86
D Exceptional items - net	25	-	18.65
E Profit before tax (C-D)		1,700.72	962.21
F Tax expense			
(i) Current tax		327.63	206.17
(ii) Deferred tax credit		(41.27)	(61.95)
Total tax expense		286.36	144.22
G Profit for the year (E-F)		1,414.36	817.99
H Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		1.31	(15.79)
Deferred tax relating to re-measurements of the defined benefit plans		(0.42)	4.60
Items that will be reclassified to profit or loss			
Foreign currency translation reserve		(33.08)	87.11
Total other comprehensive income / (loss)		(32.19)	75.92
I Total comprehensive income for the year (G+H)		1,382.17	893.91
J Profit attributable to			
Equity shareholders to the company		1,414.36	817.99
Non controlling interest		-	-
		1,414.36	817.99
K Total comprehensive income attributable to			
Equity shareholders to the company		1,382.17	893.91
Non controlling interest		-	-
		1,382.17	893.91
L Earnings per share (EPS)			
(Face value of shares ₹ 1/- each)	27		
Basic and Diluted		11.85	6.84

Notes forming integral part of the consolidated financial statements

1-40

In terms of our report attached

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

sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

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

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

sd/-
NAND SARDANA
Chief Financial Officer

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : New Delhi
Date : February 18, 2022

Place : Singapore
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Place : New Delhi
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

A. Equity share capital

(₹ in million)

Balance at January 01, 2020	119.60
Shares issued against ESOP	0.04
Balance at December 31, 2020	119.64
Balance at January 01, 2021	119.64
Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	8.83
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to Note 11(d)(i)]	(8.83)
Buy-back of shares [refer to Note 11(d)(iii)]	(1.33)
Balance at December 31, 2021	118.31

Note:

(1) Equity share capital as of January 01, 2020 is net of ₹ 0.74 million pertaining to shares held by R Systems Employees Welfare Trust. Also refer to Note 11 (f)(i).

B. Other equity (refer to Note 12)

(₹ in million)

Particulars	Reserves and Surplus						Other comprehensive income		Total other equity	
	Securities premium	Capital reserve under common control	Capital reserve other	Capital redemption reserve	Stock options outstanding	General reserve	Retained earnings	Re-measurement of defined benefit plans		Foreign currency translation reserve
Balance at January 01, 2020	44.37	-	0.03	3.69	1.72	155.04	2,796.95	(0.79)	261.73	3,262.74
Adjustment on adoption of Ind AS 116							(14.43)			(14.43)
Impact of merger of Rightmatch Holdings Limited (refer to Note 35)		(0.34)					19.22			18.88
Adjusted balance at January 01, 2020	44.37	(0.34)	0.03	3.69	1.72	155.04	2,801.74	(0.79)	261.73	3,267.19
Profit for the year							817.99			817.99
ESOP provision for the year					0.15					0.15
Shares issued against ESOP	2.29				(1.87)					0.42
Dividend paid by RightMatch Holdings Limited to its shareholders (refer to Note 35)							(13.06)			(13.06)
Other comprehensive income for the year								(11.19)	87.11	75.92
Balance at December 31, 2020	46.66	(0.34)	0.03	3.69	-	155.04	3,606.67	(11.98)	348.84	4,148.61
Balance at January 01, 2021	46.66	(0.34)	0.03	3.69	-	155.04	3,606.67	(11.98)	348.84	4,148.61
Profit for the year							1,414.36			1,414.36
Interim dividend paid (refer to Note 37)							(677.66)			(677.66)
Buy-back of shares [refer to Note 11(d)(iii)]	(46.66)			1.33		(155.04)	(98.23)			(298.60)
Tax on buy-back [refer to Note 11(d)(iii)]							(69.87)			(69.87)
Other comprehensive income for the year								0.89	(33.08)	(32.19)
Balance at December 31, 2021	-	(0.34)	0.03	5.02	-	-	4,175.27	(11.09)	315.76	4,484.65

Note:

(1) Securities premium account as of January 01, 2020 is net of ₹ 2.28 million pertaining to shares held by R Systems Employees Welfare Trust. Also refer to Note 11 (f)(i).

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

In terms of our report attached

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

sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

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NAND SARDANA
Chief Financial Officer
Place : New Delhi
Date : February 18, 2022

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Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR YEAR ENDED DECEMBER 31, 2021

(₹ in million)

	Year ended December 31, 2021	Year ended December 31, 2020
A. Cash flows from operating activities		
Profit for the year	1,414.36	817.99
Adjustments for:		
Tax expense	286.36	144.22
Depreciation and amortisation expense	276.93	256.04
Provision / (Reversal) for doubtful debts (net)	(4.82)	2.90
Provision for doubtful advance (net)	-	2.60
Employees' share based payments expense	-	0.15
Unrealised foreign exchange loss / (gain)	1.00	(8.54)
Unrealised loss / (gain) on derivative instruments	2.85	(41.37)
Interest income	(66.85)	(53.20)
Rental income from investment property	(6.72)	(6.44)
Loss on sale / discarding of property, plant and equipment (net)	2.18	0.19
Loss / (Profit) on cancellation of leases (net)	0.11	(2.32)
Forgiveness of PPP Loan (refer to Note 13)	(224.04)	-
Lease rent concession (refer to Note 14)	(15.11)	(15.51)
Net gain arising on financial assets measured at FVTPL	(4.23)	(12.43)
Impairment of goodwill (refer to Note 25)	-	106.68
Other fair value gain on contingent consideration (refer to Note 25)	-	(88.03)
Interest expenses on fair value of contingent consideration	4.65	12.49
Interest expenses other	44.47	44.17
Operating profit before working capital changes	1,711.14	1,159.59
Movements in working capital :		
(Increase) / Decrease in trade receivables	(482.29)	44.78
(Increase) / Decrease in other assets	(321.22)	43.33
Increase / (Decrease) in provision	50.92	79.61
Increase / (Decrease) in trade payables and other liabilities	193.91	134.89
Cash generated from operations	1,152.46	1,462.20
Direct taxes paid, net of refunds	(284.10)	(208.28)
Interest on income-tax refund	4.79	-
Net cash flows from operating activities (A)	873.15	1,253.92
B. Cash flows from / (used in) investing activities		
Purchase of property, plant and equipment	(278.96)	(172.04)
Purchase of intangible assets	(1.63)	(7.52)
Proceeds from sale of property, plant and equipment	3.01	0.77
Amount paid for business acquisition in Thailand (refer to Note 34)	(6.99)	-
Proceeds from / (Investment in) mutual funds	-	226.86
Proceeds from / (Investment in) fixed deposits (net)	421.93	(465.64)
Interest received	67.81	28.61
Rental income from investment property	6.72	6.44
Net cash from / (used in) investing activities (B)	211.89	(382.52)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR YEAR ENDED DECEMBER 31, 2021

(₹ in million)

	Year ended December 31, 2021	Year ended December 31, 2020
C. Cash flows from / (used in) financing activities		
Proceeds from long-term borrowings	7.87	225.19
Repayment of long-term borrowings - current maturities	(5.37)	(5.08)
Proceeds from / (Investment in) margin money deposits	(4.43)	8.62
Payment of lease liabilities (refer to Note 14)	(107.01)	(117.52)
Proceeds from issuance of equity shares	-	0.45
Interest paid	(2.77)	(1.35)
Dividend paid by RightMatch Holdings Limited to its shareholders (refer to Note 35)	-	(13.06)
Interim dividend paid (refer to Note 37)	(677.66)	-
Buy-back of equity shares (including tax) [refer to Note 11(d)(iii)]	(369.80)	-
Net cash from / (used in) financing activities (C)	(1,159.17)	97.25
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(74.13)	968.65
Add: Cash and cash equivalents at the beginning of the year	2,135.84	1,109.29
Add : Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(18.03)	57.90
Cash and cash equivalents at the end of the year (refer to Note 8a)	2,043.68	2,135.84

Notes forming integral part of the consolidated financial statements

1-40

In terms of our report attached

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

sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

sd/-
DR. SATINDER SINGH REKHI
Managing Director &
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NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1. Organisation and nature of operations

R Systems International Limited (the 'Company' or 'the Parent Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at New Delhi. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. The Group is a leading global provider of technology, artificial intelligence, RPA services and solutions along with knowledge services. The Group delivers its services and solutions to leading technology companies and businesses to enable their digital transformation. The Group's services and solutions span over five major business verticals i.e. Technology, Telecom, Healthcare and Life Science, Finance and Insurance, and Retail & e-commerce.

The Company has following subsidiaries:-

Name	Holding as at December 31, 2021	Holding as at December 31, 2020	Country of incorporation and other particulars
R Systems, Inc., USA	100%	100%	A company registered under the laws of California, USA in 1993 and subsidiary of the Company since January 2, 2001.
R Systems (Singapore) Pte Limited, Singapore	100%	100%	A company registered under the laws of Singapore in 1997 and subsidiary of the Company since September 19, 2000.
R Systems Technologies Limited, USA	100%	100%	A company registered under the laws of Delaware, USA in 1996 and subsidiary of the Company since April 1, 2002.
R Systems Consulting Services Limited (formerly known as ECnet Limited), Singapore	99.75%	99.75%	A company registered under the laws of Singapore in 1996. The Company has acquired majority share on January 8, 2004. R Systems Consulting Services Limited, Singapore has subsidiaries in Malaysia, Thailand, China, Hong Kong and Japan. The shareholding by the Company and R Systems (Singapore) Pte Limited is 69.37% and 30.38% respectively.
R Systems Computaris International Limited (formerly known as Computaris International Limited), UK	100%	100%	A company registered under the laws of U.K in 2006. The Company has acquired the entire share on January 26, 2011. R Systems Computaris International Limited, U.K. has subsidiaries in Romania, Poland, Moldova, Malaysia, Switzerland and Philippines.
RSYS Technologies Ltd., Canada	100%	100%	A company registered under the laws of Canada in 2012 and subsidiary of the Company since October 29, 2012.
IBIZ Consultancy Services India Private Limited, India	100%	100%	A company registered under the laws of India in 2008 and subsidiary of the Company since April 30, 2015.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

R Systems Inc., USA held 100% membership interest in Innovizant, LLC w.e.f. January 1, 2019. Effective August 31, 2021, Innovizant, LLC has been merged with R Systems Inc.

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

Name	Holding as at December 31, 2021	Holding as at December 31, 2020	Country of incorporation
R Systems Consulting Services (M) Sdn. Bhd. (formerly known as ECnet (M) Sdn. Bhd.)	100%	100%	Malaysia
R Systems Consulting Services (Thailand) Co., Ltd. (formerly known as ECnet Systems (Thailand) Co. Ltd.)	100%	100%	Thailand
R Systems Consulting Services (Shanghai) Co., Ltd. (formerly known as ECnet (Shanghai) Co. Ltd.)	100%	100%	People's Republic of China
R Systems Consulting Services (Hong Kong) Ltd.(formerly known as ECnet (Hong Kong) Ltd.)	100%	100%	Hong Kong
R Systems Consulting Services Kabushiki Kaisha (formerly known as ECnet Kabushiki Kaisha)	100%	100%	Japan

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

Name	Holding as at December 31, 2021	Holding as at December 31, 2020	Country of incorporation
R Systems Computaris Europe SRL (formerly known as Computaris Romania SRL)	100%	100%	Romania
R Systems Computaris Poland sp z o.o.(Formerly known as Computaris Polskasp z o.o.)	100%	100%	Poland
R Systems Computaris S.R.L (formerly known as ICS Computaris International Srl)	100%	100%	Moldova
R Systems Computaris Malaysia Sdn. Bhd. (formerly known as Computaris Malaysia Sdn. Bhd.)	100%	100%	Malaysia
R Systems Computaris Philippines Pte. Ltd. Inc. (formerly known as Computaris Philippines Pte. Ltd. Inc.)	100%	100%	Philippines
R Systems Computaris Suisse Sarl, Switzerland (formerly known as Computaris Suisse Sarl)	100%	100%	Switzerland

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

Name	Holding as at December 31, 2021	Holding as at December 31, 2020	Country of incorporation
IBIZ Consulting Services Pte Ltd	100 %	100 %	Singapore
R Systems IBIZ Sdn. Bhd. (Formerly known as IBIZ Consulting Services Sdn. Bhd.)	100 %	100 %	Malaysia
PT. R Systems IBIZCS International (formerly known as PT. IBIZCS Indonesia)	100 %	100 %	Indonesia
IBIZ Consulting (Thailand) Co. Ltd.	100 %	100 %	Thailand
IBIZ Consulting Service Limited (IBIZ HK)	100 %	100 %	Hong Kong
IBIZ Consulting Service Shanghai Co., Ltd	100% by IBIZ HK	100% by IBIZ HK	People's Republic of China

2. Significant Accounting Policies

2.1 Basis of preparation and presentation

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standard) Rules as amended from time to time.

The Group has consistently applied accounting policies to all periods except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The Group uses the Indian Rupee (INR) as its reporting currency, which is the functional currency of the Parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated.

(c) Basis of preparation and presentation

The consolidated financial statements of the Group have been prepared under the historical

cost convention on an accrual basis except for certain financial instruments, contingent consideration and defined benefit plans which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Indian Accounting Standard (Ind AS) 110 Consolidated Financial Statements.

The consolidated financial statements include the financial statements of R Systems International Limited and its subsidiaries (as explained in note 1 above).

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. The Group follows uniform accounting year i.e. January to December.

The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions.

Minority interest's share in the net comprehensive income of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. In case the losses applicable to consolidated minority are in excess of minority interest in the equity of the subsidiary, the excess, and any further losses applicable to the minority are adjusted against majority interest except to the extent minority has a binding obligation to,

and is able to, make good losses. If the subsidiary subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

2.3 Summary of significant accounting policies

(a) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

When part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items (major component) of property, plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Group. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

(b) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment and investment property less their estimated residual values using the straight line method over the useful lives of the assets estimated by the management. The assets residual values and

useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets and are in align with Part C of Schedule II of the Companies Act 2013.

The management estimates the useful lives are as follows:

Category	Useful life up to
Buildings	30 years
Leasehold improvements	Lower of lease period or useful life
Plant and equipment - other than air conditioners	15 years
Air conditioners	5 years
Office Equipment (other than end user devices)	5 years
Computer hardware and network installations (other than end user devices)	6 years
End-user devices such as desktop, laptop, mobile phones etc.	3 years
Furniture and fittings	10 years
Vehicles	8 years
Electrical Installation	10 years

(c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

A summary of amortisation policies are as follows:

Category	Useful life up to
Computer software	Lower of license period or 3 to 5 years
Customer Contract	Over the period of contract
Non-Compete	Period of Non-Compete

(d) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(e) Business combination, Goodwill and Intangible assets

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs incurred in connection with a business combination are expensed as incurred.

a. Goodwill

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

and contingent liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in capital reserve.

b. Intangible assets

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for using pooling of interest method as if the acquisition had occurred at the beginning of the earliest comparative period presented. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the transferor company. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately as Capital reserve under common control.

(f) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss)

are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

- (i) Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
 - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
 - the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

- (iii) Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity

instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
 - it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.
- (iv) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

(i) For foreign currency denominated

financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

(ii) Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

(iii) For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(h) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost
Financial liabilities such as loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is recognised as finance costs in the statement of profit and loss.
- Financial liabilities at fair value through profit or loss (FVTPL)
Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at

fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in statement of profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit or loss.

(i) Impairment

i. Financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Group recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii. Non-financial assets

The Group's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Group estimates the asset's recoverable amount.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(j) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge

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transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold,

terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(k) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(l) Leases

Where the Group is a lessee

The Group lease asset classes primarily consist of leases for land, buildings, computer hardware, vehicle and furniture. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after January 01, 2020.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease

term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has opted for the practical expedient under Ind AS 116 Para 46A read with Para 46B which provides lessee an option not to assess COVID-19-related rent concession as a lease modification. Basis the practical expedient the Group has recorded lease rent concession under other income. The expedient initially allowed for COVID-19-related rent concessions to payments originally due on or before June 30, 2021 has been extended to June 30, 2022.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

Where the Group is a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets comprising land and building which are subject to operating leases are included under non-current assets as

investment property and are carried at cost less accumulated depreciation. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

(m) Revenue

The Group derives revenue primarily from software development and related services and business process outsourcing services. The Group recognises revenue when the performance obligations as promised have been satisfied with a transaction price and when there is no uncertainty as to measurement or collectability of the consideration.

The Group has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

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The Group collects indirect taxes like Goods and Service Tax, value added taxes (VAT) etc. on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

Revenue from licenses where the customer obtain a right to use are recognised at the time the licenses is made available to the customers.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as unearned revenues).

Unbilled revenue for fixed price contracts are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones. Unbilled revenue on contracts other than above is classified as a financial asset.

(n) Other Income

Other income is comprised primarily of interest income, net gain on foreign exchange fluctuations, rental income and gain on

investments. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate. Dividend income is recognised when the Group's right to receive dividend is established.

(o) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

For translating income, expense and cash flows

items, during the year ended December 31, 2021, the rates used were US \$ 1 = ₹ 73.83, Euro 1 = ₹ 87.32, Singapore \$ 1 = ₹ 54.93 and Canadian \$ 1 = ₹ 58.89. For translating assets and liabilities at the year-end, the rates used were US \$ 1 = ₹ 74.34, Euro 1 = ₹ 84.22, Singapore \$ 1 = ₹ 55.10 and Canadian \$ 1 = ₹ 58.45.

For translating income, expense and cash flows items, during the year ended December 31, 2020, the rates used were US \$ 1 = ₹ 73.90, Euro 1 = ₹ 84.34, Singapore \$ 1 = ₹ 53.57 and Canadian \$ 1 = ₹ 55.12. For translating assets and liabilities at the year-end, the rates used were US \$ 1 = ₹ 73.07, Euro 1 = ₹ 89.74, Singapore \$ 1 = ₹ 55.26 and Canadian \$ 1 = ₹ 57.31.

(p) Employee benefits

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

(i) The Group's contribution to provident fund, employee state insurance scheme and other social security plans are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees

(ii) Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Group Gratuity Scheme.

The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to profit and loss subsequently.

(iii) Compensated absences

The employees of the Group are entitled to compensated absences. The employees of the Group can carry forward a portion of the unutilised accumulating compensated absences and utilise it in the future periods or receive cash at the retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the service that increases this entitlement.

Accumulated compensated absences which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulating compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The Group presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its

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settlement for twelve months after the reporting date.

(q) Employee stock compensation expenses

The employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

In accordance with Ind AS 102 – “Share Based Payments”, the cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognised as employee compensation cost over the vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest.

The expense recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(r) Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current income tax is measured at the amount

expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

The Group off sets current tax assets and current tax liabilities only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Group’s gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences

which reverse after the tax holiday period is recognised in the year in which the temporary differences originate.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realised.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. MAT credit asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” under deferred tax assets.

(s) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is deducted in reporting the related expenses over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grant or subsidy relating to expenses already incurred in previous years is recognised under other income

(t) Segment reporting

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business

segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Each segment item reported is measured at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Inter segment transfers:

The Group generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

(u) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources. The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes

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effected prior to the approval of the financial statements by the Board of Directors.

(v) Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

(x) Cash and cash equivalents

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

(y) Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

i. Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii. Income taxes

The Group's major tax jurisdiction is India, though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

The Group reviews carrying amount of deferred tax assets / liabilities at the end of each reporting period.

iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iv. Leases

The Group considers the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

v. Impairment of goodwill

Goodwill recognised on business combination is tested for impairment annually or when events occur or changes in circumstances indicate that the recoverable amount of cash generating unit to which it pertains, is less than the carrying value. The recoverable amount of cash generating unit is higher of value-in-use and fair value less cost of disposal. The calculation of value-in-use of cash generating unit involves use of significant estimates and assumptions, which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

vi. Business Combination and Intangible Assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the fair value of contingent consideration and intangible assets.

vii. Defined benefits obligation

The cost of the defined benefits plans and the present value of defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involved various assumptions that may differ from actual developments in the future. These include

the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

viii. Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Group has considered internal and external information upto the date of approval of these consolidated financial statement including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumption used and based on certain indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statement and the Group will continue to closely monitor any material changes to future economic conditions.

New standards, interpretations and amendments not yet adopted

a. Changes to Schedule III

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting January 01, 2022. The Group is evaluating the effect of the amendments on its consolidated financial statements.

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3 (a). Property, plant and equipment

Particulars	Leasehold land	Buildings and leasehold improvements	Plant and equipment	Electric installation	Furniture and fittings	Computer hardware	Vehicles ¹	Office equipment	Total
At cost									
Gross Block									
As at January 01, 2020	14.58 (14.58)	111.15	58.58	20.25	142.14 (33.00)	660.93 (15.40)	76.18	52.85	1,136.66 (62.98)
Reclassified on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-
Additions	-	-	-	0.35	1.41	187.18	9.43	6.97	205.34
Deletions	-	-	(1.33)	-	(0.25)	(38.51)	(2.92)	(1.87)	(44.88)
Foreign currency translation	-	1.14	-	0.01	1.47	7.83	0.28	0.60	11.33
As at December 31, 2020	-	112.29	57.25	20.61	111.77	802.03	82.97	58.55	1,245.47
Addition through Acquisitions (refer to Note 34)	-	-	-	-	-	0.21	-	-	0.21
Additions	-	31.43	-	-	14.03	212.91	11.76	3.78	273.91
Deletions	-	(3.43)	(1.72)	(0.22)	(2.92)	(21.10)	(6.03)	(0.66)	(36.08)
Foreign currency translation	-	(1.44)	-	-	(1.29)	(4.05)	0.21	(0.16)	(6.73)
As at December 31, 2021	-	138.85	55.53	20.39	121.59	990.00	88.91	61.51	1,476.78
Accumulated Depreciation									
As at January 01, 2020	3.45 (3.45)	52.38	31.71	18.64	99.46 (5.27)	415.57 (0.31)	35.88	43.59	700.68 (9.03)
Reclassified on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-
Charge for the year	-	5.97	4.21	0.30	3.37	90.43	8.38	5.68	118.34
Deletions	-	-	(1.33)	-	(0.26)	(38.63)	(2.30)	(1.83)	(44.35)
Foreign currency translation	-	0.85	-	0.01	0.85	5.60	0.28	0.57	8.16
As at December 31, 2020	-	59.20	34.59	18.95	98.15	472.66	42.24	48.01	773.80
Charge for the year	-	6.17	3.65	0.29	3.63	126.44	8.38	4.92	153.48
Deletions	-	(2.21)	(1.72)	(0.22)	(1.75)	(20.29)	(3.74)	(0.64)	(30.57)
Foreign currency translation	-	(0.23)	-	-	(0.37)	(2.97)	0.21	(0.15)	(3.51)
As at December 31, 2021	-	62.93	36.52	19.02	99.66	575.84	47.09	52.14	893.20
Net Block									
As at December 31, 2020	-	53.09	22.66	1.66	13.62	329.37	40.73	10.54	471.67
As at December 31, 2021	-	75.92	19.01	1.37	21.93	414.16	41.82	9.37	583.58

Notes:

(1) Gross block of vehicles amounting to ₹ 21.69 million (as at December 31, 2020 : ₹ 22.49 million) are hypothecated against terms loans for vehicle financed from a non-banking financial corporation.

(2) Capital commitments:

Particulars	As at December 31, 2021	As at December 31, 2020
Estimated amount of unexecuted capital contracts (A)	35.91	14.32
Capital advances (B)	4.97	-
Net capital commitment (A-B)	30.94	14.32

3 (b) Right-of-use assets

Particulars	Land Leasehold	Building	Vehicles	Computer hardware	Furniture and fittings	Computer software	Total
Gross Block							
As at January 01, 2020	19.26	294.96	3.58	16.37	33.00	2.54	369.71
Additions	0.73	193.43	-	-	30.00	-	224.16
Deletions	-	(26.70)	-	-	-	-	(26.70)
Foreign currency translation	-	7.49	-	1.56	-	0.26	9.31
As at December 31, 2020	19.99	469.18	3.58	17.93	63.00	2.80	576.48
Additions	-	186.47	-	-	-	-	186.47
Deletions	-	(44.62)	-	-	-	-	(44.62)
Foreign currency translation	-	(9.74)	-	(1.30)	-	(0.22)	(11.26)
As at December 31, 2021	19.99	601.29	3.58	16.63	63.00	2.58	707.07
Accumulated Depreciation							
As at January 01, 2020	3.45	-	-	0.31	5.27	0.08	9.11
Charge for the year	1.91	97.92	1.16	4.15	6.07	0.98	112.19
Deletions	-	(17.37)	-	-	-	-	(17.37)
Foreign currency translation	-	1.81	-	0.26	-	0.06	2.13
As at December 31, 2020	5.36	82.36	1.16	4.72	11.34	1.12	106.06
Charge for the year	1.97	87.48	1.16	4.09	6.33	0.97	102.00
Deletions	-	(26.38)	-	-	-	-	(26.38)
Foreign currency translation	-	(2.27)	-	(0.51)	-	(0.13)	(2.91)
As at December 31, 2021	7.33	141.19	2.32	8.30	17.67	1.96	178.77
Net Block							
As at December 31, 2020	14.63	386.82	2.42	13.21	51.66	1.68	470.42
As at December 31, 2021	12.66	460.10	1.26	8.33	45.33	0.62	528.30

3 (c). Capital work in progress

Particulars	Amount
As at December 31, 2020	0.21
As at December 31, 2021	-

3 (d). Investment property

Particulars	As at December 31, 2021	As at December 31, 2020
Cost of land and building given on operating lease		
Balance at beginning of the year	35.96	35.96
Additions	-	-
Balance at the end of year	35.96	35.96
Accumulated depreciation		
Balance at beginning of the year	15.59	14.12
Charge for the year	1.47	1.47
Balance at the end of year	17.06	15.59
Net Block	18.90	20.37

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Measurement of fair values

Investment property consists of land and building situated at Pune, India and is accounted for at cost. The Group has estimated that the fair value of investment property as at December 31, 2021 was ₹ 92.86 million (Previous year: ₹ 92.37 million). The fair value has been determined based on current prices in an active market for similar properties. The fair value measurement for the investment property has been categorised as a Level 2.

Lease

The Group has entered into an operating lease arrangement for its investment property. Lease rentals recognised as income during the year ended December 31, 2021 and December 31, 2020 is ₹ 6.72 million and ₹ 6.44 million, respectively.

The operating lease arrangement extends for a maximum period of 3 years and has price escalation clause of 5% for every subsequent 3 years of the extended term. The lease is cancellable and there are no restrictions imposed on lease agreements.

3 (e). Goodwill

(₹ in million)

Particulars	Amount
As at January 01, 2020	195.94
Impairment of Goodwill (refer to Note 33)	(106.68)
Foreign currency translation	7.98
As at December 31, 2020	97.24
Addition through Acquisitions (refer to Note 34)	1.03
Foreign currency translation	(0.73)
As at December 31, 2021	97.54

3 (f). Other intangible assets

(₹ in million)

Particulars	Software	Non-compete	Customer contract	Total
At cost				
Gross Block				
As at January 01, 2020	223.44	155.29	18.76	397.49
Reclassified on adoption of Ind AS 116	(2.54)	-	-	(2.54)
Additions	7.52	-	-	7.52
Deletions	(93.98)	-	-	(93.98)
Foreign currency translation	5.29	5.19	2.26	12.74
As at December 31, 2020	139.73	160.48	21.02	321.23
Addition through Acquisitions (refer to Note 34)	2.54	2.54	2.95	8.03
Additions	1.63	-	-	1.63
Deletions	(5.96)	(88.62)	-	(94.58)
Foreign currency translation	(2.17)	1.15	(1.40)	(2.42)
As at December 31, 2021	135.77	75.55	22.57	233.89
Accumulated amortisation				
As at January 01, 2020	218.72	93.45	18.76	330.93
Reclassified on adoption of Ind AS 116	(0.08)	-	-	(0.08)
Charge for the year	3.78	20.26	-	24.04
Deletions	(94.23)	-	-	(94.23)
Foreign currency translation	5.53	3.66	2.26	11.45

(₹ in million)

Particulars	Software	Non-compete	Customer contract	Total
As at December 31, 2020	133.72	117.37	21.02	272.11
Charge for the year	4.13	14.77	1.08	19.98
Deletions	(5.87)	(88.62)	-	(94.49)
Foreign currency translation	(2.16)	0.59	(1.33)	(2.90)
As at December 31, 2021	129.82	44.11	20.77	194.70
Net Block				
As at December 31, 2020	6.01	43.11	-	49.12
As at December 31, 2021	5.95	31.44	1.80	39.19

4. Investments

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
A. Non-current investments		
Unquoted investments (fully paid), measured at FVTPL		
Investment in Saraswat Co-operative Bank Ltd		
2,500 (previous year 2,500) shares of ₹ 10 each fully paid up	0.03	0.03
Total investments measured at FVTPL	0.03	0.03
Aggregate carrying value of Non-current unquoted investments	0.03	0.03
B. Current investments		
Unquoted investments in mutual funds, measured at FVTPL		
9,139 (previous year 9,139) units of SBI Premier Liquid Fund	30.00	29.05
7,277 (previous year 7,277) units of HDFC Liquid Fund	29.96	29.02
115,669 (previous year 115,669) units of ICICI Prudential Liquid Fund	36.14	34.98
15,428 (previous year 15,428) units of Axis Liquid Fund	36.15	34.97
Total investments in mutual funds	132.25	128.02
Total current investments (unquoted)	132.25	128.02

5. Other non-current financial assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Unsecured, considered good		
Security deposits	40.79	32.72
Margin money deposits (refer to Note 8b)	47.68	46.05
Interest accrued on bank deposits	0.10	0.75
Staff advance	0.07	0.01
	88.64	79.53

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6. Other non-current assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Unsecured, considered good		
Capital advances	4.97	-
Prepaid expenses	7.81	18.84
	12.78	18.84

7. Trade receivables (Unsecured)

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Considered good	1779.76	1312.54
Credit impaired	19.02	28.93
Less: Allowance for doubtful debts (expected credit loss allowance)	(19.02)	(28.93)
	1,779.76	1,312.54

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Group estimates the following matrix at the reporting date.

Ageing	Expected credit loss*
Not due-90 days	0.00% - 0.43%
90-180 days	0.11% - 1.24%
180-365 days	0.35% - 2.00%
More than 365 days	2.00%

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

(₹ in million)

Movement in expected credit loss allowance	Year ended December 31, 2021	Year ended December 31, 2020
Balance at the beginning of the year	28.93	32.75
Provision / (Reversal) for doubtful debts (net)	(4.82)	2.90
Bad debts written off	(5.11)	(8.04)
Effect of foreign exchange fluctuation / translation	0.02	1.32
Balance at the end of the year	19.02	28.93

8a. Cash and cash equivalents

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
(a) Cash on hand	1.21	1.07
(b) Balances with scheduled banks		
(i) in current accounts	101.94	46.95
(ii) in EEFC accounts	111.08	210.99
(iii) in deposit accounts with original maturity of less than 3 months	253.77	423.40
(c) Balances with other banks		
(i) in current accounts	1,511.97	1,386.81
(ii) in deposit accounts with original maturity of less than 3 months	63.71	66.62
Cash and cash equivalents	2,043.68	2,135.84

8b. Other bank balances

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
(a) In other deposit accounts		
(i) original maturity more than 12 months	337.76	626.36
(ii) original maturity more than 3 months but less than 12 months	234.17	368.48
(iii) held as margin money	47.68	46.05
Deposits with banks carried at amortised costs	619.61	1,040.89
Less: Bank deposits with original maturity of more than 12 months disclosed under Note 9	(337.76)	(626.36)
Less: Margin money deposit disclosed under Note 5	(47.68)	(46.05)
	234.17	368.48
(b) Balances with scheduled banks		
(i) in unclaimed dividend accounts	1.82	2.14
Other bank balances	235.99	370.62

Note:

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

8c. Cash and bank balances

(₹ in million)

S. No.	Particulars	As at December 31, 2021	As at December 31, 2020
A	Cash on hand	1.21	1.07
	Balance with scheduled banks		
B	In current accounts		
1	ICICI Bank Limited	96.80	29.66
2	HDFC Bank Limited	1.13	4.47
3	Punjab National Bank	0.43	0.86
4	State Bank of India	-	1.45
5	Axis Bank Limited	3.58	10.46
6	Kotak Mahindra Bank Limited	-	0.05
		101.94	46.95

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(₹ in million)

S. No.	Particulars	As at December 31, 2021	As at December 31, 2020
C	In cash credit / overdraft accounts*		
1	Axis Bank Limited	-	-
2	ICICI Bank Limited	-	-
		-	-
D	In EEFC accounts		
1	ICICI Bank Limited	48.84	103.43
2	Axis Bank Limited	62.24	107.56
3	Kotak Mahindra Bank Limited	-	-
		111.08	210.99
E	In deposit accounts		
1	State Bank of India	57.91	599.04
2	ICICI Bank Limited	291.09	54.47
3	Axis Bank Limited	405.88	289.90
4	Punjab National Bank	32.46	230.41
5	HDFC Bank Limited	67.58	149.55
		854.92	1,323.37
F	In unclaimed dividend accounts		
1	HDFC Bank Limited	1.82	2.14
2	ICICI Bank Limited#	0.00	-
		1.82	2.14
	Balance with other banks		
G	In current accounts		
1	California Bank & Trust	786.64	454.78
2	AfrAsia Bank Mauritius	-	3.63
3	JP Morgan Chase Bank, N.A.	7.07	7.93
4	OCBC Bank	97.46	-
5	Citibank Singapore Ltd	-	121.12
6	DBS Bank Ltd	108.71	112.77
7	Malayan Banking Berhad	75.73	70.93
8	Hang Seng Bank Limited	7.84	5.07
9	Siam Commercial Bank	60.33	41.56
10	Bank of China	19.49	19.74
11	Sumitomo Mitsui Banking Corporation	0.31	0.56
12	Mizuho Bank Ltd.	0.61	0.31
13	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	0.56	0.42
14	Natwest Bank	74.78	294.89
15	Santander Bank Polska S.A.	68.54	63.07
16	Mobiasbanca - Groupe Societe Generale SA	3.12	1.97
17	BRD Groupe Societe Generale SA	93.65	66.38
18	CIMB Bank BHD	8.79	9.35
19	Royal Bank of Canada	57.77	23.17
20	ING Bank N.V. Amsterdam	0.26	0.41
21	Trezorerie, Romania	4.06	16.73
22	PT Bank Permata Tbk	20.93	19.12
23	PT Bank DBS Indonesia	5.56	1.51
24	DBS Bank (China) Ltd.	18.52	28.96
25	Standard Chartered Bank	-	2.53
26	Credit Suisse	1.85	2.96
27	BDO Unibank Inc.	9.58	17.13
		1,532.16	1,387.00

(₹ in million)

S. No.	Particulars	As at December 31, 2021	As at December 31, 2020
	Balance with other banks		
H	In deposit accounts		
1	Mobiasbanca - Groupe Societe Generale SA	0.67	0.68
2	BRD Groupe Societe Generale SA	29.37	20.05
3	ING Bank N.V. Amsterdam	-	1.48
4	Citibank Singapore Ltd	-	1.66
5	BDO Unibank Inc.	0.34	0.33
6	Natwest Bank	14.85	14.64
7	DBS Bank Ltd.	1.10	1.11
8	PT Bank DBS Indonesia	15.65	47.19
9	Luana Savings Bank	-	17.54
10	Wells Fargo National Bank West	-	17.54
11	Bankunited NA, Miami Lakes	-	17.54
12	Mizuho Bank, USA New York	-	17.54
13	Trust Bank (FKA BB&T)	-	17.90
14	Fifth Third Bank NA	-	14.61
15	Bank of China, New York	-	17.54
		61.98	207.35
	Total Cash and bank balances	2,665.11	3,178.87
	Cash and cash equivalents (refer to Note 8a)	2,043.68	2,135.84
	Deposits with banks (refer to Note 8b)	619.61	1,040.89
	Balance in unclaimed dividend accounts (refer to Note 8b)	1.82	2.14
	Total Cash and bank balances	2,665.11	3,178.87

* Cash credit limit / bank guarantee / loan equivalent risk / letter of credit is secured by pari-passu charge by way of hypothecation of entire current assets and movable property excluding vehicles.

Balance in ICICI Bank Limited unclaimed dividend account is ₹ 4.90.

9. Other current financial assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Staff advance	6.04	8.85
Unbilled revenue (refer to Note 19)	461.83	162.55
Security deposits	5.91	11.20
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	337.76	626.36
Mark-to-market gain on derivative instruments (refer to Note 29)	51.81	54.66
Interest accrued on bank deposits	6.89	8.95
Others	29.65	16.94
	899.89	889.51

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10. Other current assets

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Balances with indirect tax authorities	36.86	44.00
VAT recoverable	2.20	7.15
Unbilled revenue (refer to Note 19)	66.74	59.59
Prepaid expenses	150.82	130.33
Advance to vendors	9.17	10.51
Tour and travel advance	0.33	0.04
	266.12	251.62

11. Equity share capital

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Authorised		
206,000,000 (December 31 2020: 206,000,000) equity shares of ₹ 1 each	206.00	206.00
Issued, subscribed and fully paid up		
118,303,445 (December 31 2020: 119,636,445) equity shares of ₹ 1 each	118.31	119.64
	118.31	119.64

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year:

Particulars	Year ended December 31, 2021		Year ended December 31, 2020	
	Number of shares	₹ in million	Number of shares	₹ in million
At the beginning of the year	119,636,445	119.64	120,337,925	120.34
Issue of shares pursuant to merger of RightMatch Holdings Limited [refer to Note d((i) below)]	8,828,489	8.83	-	-
Cancellation of shares pursuant to merger of RightMatch Holdings Limited [refer to Note d((i) below)]	(8,828,489)	(8.83)	-	-
Buy-back of shares [refer to Note (d)(iii) below]	(1,333,000)	(1.33)	-	-
Shares cancelled pursuant to capital reduction scheme [refer to Note (f)(i) below]	-	-	(738,980)	(0.74)
Issued during the year [refer to Note (f)(ii) below]	-	-	37,500	0.04
Outstanding at the closing of the year	118,303,445	118.31	119,636,445	119.64

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

The Company does not have any holding / ultimate holding company.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) Shares issued pursuant to merger of RightMatch Holdings Limited (refer to Note 35):

The scheme of amalgamation was approved by Hon'ble National Company Law Tribunal, New Delhi vide order dated February 01, 2021 and the Supreme Court of Mauritius vide order dated September 14, 2020 and amended order dated September 21, 2020, between RightMatch Holdings Limited (RightMatch) and the Company and their respective shareholders and creditors. Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme became effective on March 09, 2021 and 8,828,489 fully paid equity shares of the face value of ₹ 1/- each of the Company were issued and allotted to the equity shareholders of RightMatch in the proportion of their respective equity shareholding in RightMatch and equivalent number of shares of the Company as held by RightMatch were cancelled and extinguished.

(ii) Shares issued pursuant to merger of GM Solutions Private Limited:

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

(iii) Shares bought back:

During the year ended December 31, 2021, the Company bought back 1.33 million equity shares of ₹ 1 each at a price of ₹ 225/- per equity share, payable in cash for a total consideration of ₹ 299.93 million by utilising the securities premium account of ₹ 46.66 million, general reserve of ₹ 155.04 million and retained earnings to the extent of ₹ 96.90 million. The capital redemption reserve was created out of retained earnings for ₹ 1.33 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on October 14, 2021. Further, the Company has apportioned ₹ 69.87 million out of retained earnings towards tax on aforesaid buy-back.

During the year ended December 31, 2019, the Company bought back 3.69 million equity shares of ₹ 1 each at a price of ₹ 65/- per equity share, payable in cash for a total consideration of ₹ 239.85 million by utilising the securities premium account to the extent of ₹ 236.16 million and general reserve to the extent of ₹ 3.69 million. The capital redemption reserve was created out of general reserve for ₹ 3.69 million being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The equity shares bought back were extinguished on April 15, 2019.

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(e) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at December 31, 2021		As at December 31, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
RightMatch Holdings Limited (refer to Note 35)	-	-	8,828,489	7.38
The Satinder and Harpreet Rekhi Family Trust (Trustee: Dr. Satinder Singh Rekhi & Harpreet Rekhi)	11,702,623	9.89	11,818,061	9.88
Dr. Satinder Singh Rekhi	7,403,456*	6.26*	3,062,207	2.56
Sartaj Singh Rekhi	18,676,248	15.79	18,860,269	15.76
Ramneet Singh Rekhi	16,236,331	13.72	16,396,505	13.71
Bhavook Tripathi#	42,038,375	35.53	44,091,982	36.85

As per secretarial records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

* Including shares allotted pursuant to the Scheme of Amalgamation of RightMatch Holdings Limited and R Systems International Limited. (refer to Note 35)

Not having significant influence over the Company.

(f) Employees Stock Option Plan

(i) R Systems International Limited Employees Stock Option Plan – Year 2001 ('the Plan' or 'ESOP Plan 2001')

Indus Software Private Limited ('Indus') had outstanding options aggregating 21,967 equity shares as on March 31, 2002, to be issued to the eligible employees under the R Systems International Limited Employees Stock Option Plan – Year 2001 under various vesting periods as specified in the said Plan, duly approved by the erstwhile shareholders. Indus had established "R Systems Employees Welfare Trust" ('the R Systems Trust') (formerly known as Indus Software Employees Welfare Trust) to administer the plan, as approved by the members, for the benefits of the Company's employees and had provided an interest free loan of ₹ 3.38 million. Consequently, Indus had allotted 21,967 equity shares of ₹ 10 each at a premium of ₹ 144 per equity share to the R Systems Trust to be further issued to the Indus' eligible employees on the exercise of the underlying options granted to them.

As a result of the merger of Indus with the Company, all employees had surrendered their options in favour of the R Systems Trust to enable them to obtain options for shares in R Systems International Limited after the merger. The Company had issued 206,822 equity shares of ₹ 2 each at a premium of ₹ 113.42 per share to the R Systems Trust in exchange of 21,967 equity shares of Indus, apropos to the agreed swap ratio. During the earlier years out of the said 206,822 shares, 22,079 shares were issued to the employees on exercise of options.

The Company had consolidated each of its five equity shares of ₹ 2 each into one equity share of ₹ 10 each, then issued 1:1 bonus share to each of the then existing shareholder and further sub-divided each of the equity shares of ₹ 10 each into 10 equity shares of ₹ 1 each. Consequently, the total number of shares issued are now 738,980 equity shares of ₹ 1 each, which are treated as Treasury Shares.

The account balances of the R Systems Trust have been included in the consolidated financial statements of the Company as the trust was created for the benefit of the employees and administered by the Company and in substance the R Systems Trust functions as an extension of the Company. As of January 01, 2020, an amount of ₹ 0.74 million and ₹ 2.28 million has been adjusted against issued, subscribed and paid-up capital and Securities Premium Account, respectively.

The movement in the options (in equivalent number of shares of the Company) held by the R Systems Trust during the year ended December 31, 2021 and the year ended December 31, 2020 is set out below:

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
At the beginning		
- Grants outstanding under the plan (₹ 1 per share)	-	-
- Grants pending determination by the Compensation Committee (₹ 1 per share)	-	738,980
During the year		
- Options granted (₹ 1 per share)	-	-
- Options exercised (₹ 1 per share)	-	-
- Options/grants lapsed or surrendered (₹ 1 per share)*	-	(738,980)
At the end		
- Grants outstanding under the plan (₹ 1 per share)	-	-
- Grants pending determination by the Compensation Committee (₹ 1 per share)	-	-

* Consequent to the approval of Hon'ble National Company Law Tribunal, New Delhi vide order dated January 28, 2020, 738,980 fully paid up equity shares of ₹ 1/- each of the Company as held by R Systems Employees Welfare Trust have been cancelled and extinguished and accordingly issued, subscribed and paid-up capital and securities premium account has been reduced by ₹ 0.74 million and ₹ 2.28 million, respectively.

(ii) R Systems International Limited Employee Stock Option Scheme 2007 ('the Plan' or 'ESOP Plan 2007')

During the year 2007, the Company had instituted the plan for all eligible employees as specified in the rules in pursuance of the special resolution duly approved by the shareholders. The plan provides for the issuance of 650,000 options to eligible employees as recommended by the Compensation Committee constituted for this purpose.

The plan is administered by a Compensation Committee and exercise price in respect of 632,500 options granted on July 11, 2007 is ₹ 120.70 being the latest available closing price, prior to the date of the meeting of the Board of Directors / Compensation Committee, on the stock exchange on which the shares of the Company are listed. Accordingly, the intrinsic value of Employee Stock Option is taken as ₹ Nil. Further, during the year ended December 31, 2014, the Company had sub-divided equity shares of ₹ 10 each into 10 equity shares of ₹ 1 each, the exercise price is accordingly adjusted from ₹ 120.70 per share to ₹ 12.07 per share.

On the recommendation of the Compensation Committee and Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 30, 2016, had further granted 150,000 options at an exercise price of ₹ 12.07 /- per option under R Systems International Limited Employee Stock Option Scheme 2007.

The vesting period is 4 years (25% in each year) commencing from the date of grant under the plan. The eligible employees have an option to exercise it over a period of 10 years from the date of grant under the plan.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The movement in the options during the year ended December 31, 2021 and year ended December 31, 2020 is set out below:

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
At the beginning		
- Grants outstanding under the plan (₹ 1 per share)	-	37,500
- Grants pending determination by the Compensation Committee (₹ 1 per share)	-	-
During the year		
- Options granted (₹ 1 per share)	-	-
- Options exercised (₹ 1 per share)	-	(37,500)
- Options/grants lapsed or surrendered (₹ 1 per share)	-	-
- Option lapsed for determination by the Compensation Committee on expiry of the effective date	-	-
At the end		
- Grants outstanding under the plan (₹ 1 per share)	-	-
- Grants pending determination by the Compensation Committee (₹1 per share)	-	-
Options vested during the year	-	37,500

For options exercised during the previous year, the weighted average share price at the exercise date was ₹ 92.32.

Fair value of share options

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Outstanding option under ESOP Plan 2001*	Outstanding option under ESOP Plan 2007
Stock option fair value using Black - Scholes option pricing	Nil	49.89
Exercise price	154.00	12.07
Expected volatility (in %)	0.5	55.32-55.83
Expected option life	2.5 years (being half of the maximum option life)	4 years i.e. 25% vesting at the end of each year from the date of grant
Exercise period	1 year from the date of grant	10 years from the date of grant
Dividend yield (in %)	15.00	1.32
Risk-free interest rate (in %)	11.30	7.84

* Originally the price was based on ₹ 10 per share for 21,967 shares. As a result of amalgamation of Indus Software Private Limited into R Systems, the Company had issued 206,822 equity shares of ₹ 2 each pursuant to the swap ratio approved by Hon'ble High Courts of Delhi and Mumbai. The details given above for plan are before making the required adjustments in relation to consolidation of each of the 5 equity shares of ₹ 2 each into 1 equity share of ₹ 10 each as approved by the shareholders in the year ended December 31, 2006 and further sub-division of each of the equity shares of ₹ 10 each into 10 equity shares of ₹ 1 each as per record date of February 28, 2014.

There is no active employees stock option plan as at the end of the current year and previous year.

12. Other equity

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
a. Securities premium	-	46.66
Securities premium is used to record premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.		
b. Capital reserve under common control	(0.34)	(0.34)
Capital reserve under common control represent reserves recorded upon business transfer under common control. (refer to Note 35)		
c. Capital reserve other	0.03	0.03
Capital reserve other represent excess of the net assets of subsidiary over the value of the amount of the consideration paid in the consolidated financial statements		
d. Capital redemption reserve	5.02	3.69
Capital redemption reserve was created by transfer from general reserve of an amount equal to the nominal value of equity shares bought back by the Company. It is utilised in accordance with the provisions of the Companies Act, 2013.		
e. General reserve	-	155.04
General reserve represents the free reserve transferred from retained earnings.		
f. Retained earnings	4,175.27	3,606.67
Retained earnings comprises the Company's undistributed earnings after taxes.		
g. Other comprehensive income		
Re-measurement of defined benefit plans	(11.09)	(11.98)
Re-measurement of defined benefit plans consists of re-measurement of net defined benefit liability / assets (net of tax).		
Foreign currency translation reserve	315.76	348.84
Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
Other equity	4,484.65	4,148.61

Note:

(1) Year-wise movement of the individual line items above is given in the Consolidated Statement of Changes in Equity.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

13. Non-current borrowings (at amortised cost)

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Term loans		
- Motor vehicle loan from non banking financial corporation (secured)	10.61	8.12
- PPP forgivable loan	-	222.05
	10.61	230.17
Less:		
Current maturities of term loans (refer to Note 16)		
- Motor vehicle loan	4.15	4.30
- PPP forgivable loan	-	142.25
	6.46	83.62

Notes:

- Motor vehicle loans are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 7.30% to 10.26% per annum. The term loans are repayable in equated monthly instalments ranging from 35 to 60 months from the date of loan.
- In the year ended December 31, 2020, the Company had obtained a forgivable loan of ₹ 222.05 mn (USD 3.01 mn) under Paycheck Protection Program (PPP) by Small Business Administration, United States of America ("SBA").

During the year ended December 31, 2021, the Company received the forgiveness of the entire loan amount upon satisfaction of the underlying conditions. Consequently, the amount of loan forgiven was recognised as income and presented under the head other income (refer to Note 20).

14. Other non-current financial liabilities

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Contingent consideration for business acquisition (refer to Note 28 b)	-	44.27
Security deposit	3.45	2.42
Lease liabilities	480.83	425.36
	484.28	472.05

Movement schedule of lease liability is as follows:

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Opening balance	488.16	362.93
Additions during the year	186.47	217.91
Interest accrued on lease liability	40.95	41.37
Termination of lease contract	(18.13)	(11.66)
Payment of lease liability	(107.01)	(117.52)
Lease rent concession	(15.11)	(15.51)
Effect of foreign exchange fluctuation / translation	(8.63)	10.64
Closing balance	566.70	488.16
Current	85.87	62.80
Non-current	480.83	425.36

15. Provisions

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Long-term provision for employee benefits		
- Gratuity	193.98	174.94
	193.98	174.94

Refer to Note 21 for detailed disclosures of gratuity.

16. Other current financial liabilities

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Current maturities of term loans (refer to Note 13)		
- Motor vehicle loans	4.15	4.30
- PPP forgivable loan	-	142.25
Security deposits received	10.78	10.13
Lease liabilities (refer to Note 14)	85.87	62.80
Investor education and protection fund (not due) - Unclaimed dividend	1.82	2.14
Employee benefits payable	323.03	225.23
Capital creditors	3.64	3.92
Contingent consideration for business acquisition (refer to Note 28 b)	49.72	-
Advance from customers	8.89	5.44
JSS benefit payable (see Note below)	4.67	26.50
Other financial liabilities	11.40	8.65
	503.97	491.36

Note:

This represents Job Support Scheme (JSS) benefit received in Singapore for IT consulting operations. As per the scheme this amount is either required to be passed to end customers or returned to the Government. The balance as at December 31, 2021 represents the amount payable to the Government.

17. Provisions

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Short-term provision for employee benefits		
- Gratuity	9.69	5.07
- Compensated absences	244.26	218.94
	253.95	224.01

Refer to Note 21 for detailed disclosures of gratuity.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

18. Other current liabilities

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Statutory dues payable		
Tax deducted at source / Withholding tax payable	38.12	26.53
PF / 401 K / other payables	76.18	62.29
GST / Sales tax / VAT payable	30.14	33.45
Others	0.54	0.43
Unearned revenues (refer to Note 19)	306.47	360.46
Deferred grant from Government	-	15.09
	451.45	498.25

19. Revenue from operations

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Sale of services	11,556.39	8,805.91
	11,556.39	8,805.91

Disaggregate revenue information

The table below presents disaggregated revenues from the Group's contracts with customers by geography and customer's industry type. The Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenue by geography:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
India	265.98	139.42
North America	7,957.93	5,989.62
South East Asia	1,681.29	1,430.63
Europe	1,561.89	1,164.27
Others	89.30	81.97
	11,556.39	8,805.91

Revenue by customer's industry type :

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Technology	5,203.39	4,118.90
Telecom	904.03	761.08
Healthcare and life science	1,052.53	506.02
Finance and insurance	1,696.07	1,235.63
Others	2,700.37	2,184.28
	11,556.39	8,805.91

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue.

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Group expects to recognise these amounts as revenue. Applying the practical expedients as given in IND AS 115, the Group has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialised and adjustments for currency.

Disclosure relating to remaining performance obligation relating to fixed bid price contracts require the aggregate amounts of transaction price yet to be recognised as revenue at the reporting date and expected timelines to recognise these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

20. Other income

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Interest income on		
- Bank deposit	58.31	52.19
- Financial instruments measured at amortised cost	0.84	0.91
- Others	7.70	0.10
Forgiveness of PPP Loan (refer to Note 13)	224.04	-
Rental income from investment property	6.72	6.44
Foreign exchange fluctuation (net)	87.54	33.30
Reversal of provision for doubtful debts (net)	4.82	-
Lease rent concession (refer to Note 14)	15.11	15.51
Profit on cancellation of leases (net)	-	2.32
Net gain arising on financial assets measured at FVTPL	4.23	12.43
Miscellaneous income	9.65	5.80
	418.96	129.00

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

21. Employee benefits expense

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Salaries, wages and bonus	7,202.06	5,640.27
Gratuity expenses	39.48	31.63
Contribution to provident and other funds	363.44	285.25
Employees' share based payments expense	-	0.15
Staff welfare expenses	193.27	158.97
	7,798.25	6,116.27

(a) The Code on Social Security, 2020 (the 'Code')

The Code relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) Gratuity

The Company has funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months subject to a maximum of ₹ 2 million.

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

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Service cost	29.87	23.52
Net interest cost	9.61	8.11
Net gratuity expense recognised in profit and loss	39.48	31.63
Remeasurement loss / (gain) recognised in OCI	(1.31)	15.79
Total Cost Recognised in Comprehensive Income	38.17	47.42

Details of defined benefit gratuity plan:

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Defined benefit obligation	226.26	200.13
Fair value of plan assets	22.59	20.12
Net defined benefit obligation	203.67	180.01

Changes in the defined benefit obligation are as follows:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Opening defined benefit obligation	200.13	158.81
Service cost	29.87	23.52
Interest cost	10.76	9.81
Benefits paid	(15.93)	(7.64)
Actuarial (gains) / losses on obligation	1.43	15.63
Closing defined benefit obligation	226.26	200.13

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

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Opening fair value of plan assets	20.12	25.61
Expected return	1.15	1.70
Contributions by the employer	14.51	0.61
Benefits paid	(15.93)	(7.64)
Actuarial gains / (losses) on plan assets	2.74	(0.16)
Closing fair value of plan assets	22.59	20.12

Amounts recognised in other comprehensive income:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Actuarial (gain) / loss due to demographic assumption changes in defined benefit obligation	(8.55)	-
Actuarial (gain) / loss due to financial assumption changes in defined benefit obligation	(4.32)	14.19
Actuarial (gain) / loss from experience adjustment changes in defined benefit obligation	14.30	1.44
Return on plan assets (greater) / less than discount rate	(2.74)	0.16
Re-measurement loss / (gain) recognised in OCI	(1.31)	15.79

Sensitivity Analysis

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

(₹ in million)

Defined Benefit Obligation	As at December 31, 2021	As at December 31, 2020
Discount rate		
a. Discount rate - 100 basis points	242.89	216.77
b. Discount rate + 100 basis points	211.66	185.72
Salary increase rate		
a. Rate - 100 basis points	213.24	186.97
b. Rate + 100 basis points	240.09	213.80

Maturity Profile of Defined Benefit Obligation

(₹ in million)

Expected Future Cash flows (undiscounted)	As at December 31, 2021	As at December 31, 2020
Year 1	32.29	25.18
Year 2	25.58	19.07
Year 3	22.88	17.51
Year 4	22.70	15.38
Year 5	23.91	15.71
Year 6 to 10	71.75	56.09
Year 10 +	183.71	206.45

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

	As at December 31, 2021	As at December 31, 2020
Investments with Life Insurance Corporation of India	100%	100%

The principal assumptions used in determining gratuity are shown below:

(A) Financial Assumption

	As at December 31, 2021	As at December 31, 2020
Discount rate	6.27%	5.74%
Increment rate	First year 10%, thereafter 7%	First year 10%, thereafter 7%

(B) Demographic Assumptions

	As at December 31, 2021	As at December 31, 2020
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	Below Age 30 yrs - 35%	Below Age 30 yrs - 35%
	Age 30 to 34 Yrs - 25%	Age 30 to 34 Yrs - 22%
	Age 34 to 44 Yrs - 18%	Age 34 to 44 Yrs - 17%
	Age 44 to 50 Yrs - 7%	Age 44 to 50 Yrs - 3%
	Age 50 to 54 Yrs - 5%	Age 50 to 54 Yrs - 2%
	Above Age 54 Yrs -1%	Above Age 54 Yrs -1%
Retirement age	60 Yrs	60 Yrs

22. Finance costs

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Interest expense on term loans	1.47	2.76
Interest expense on lease liabilities (refer to Note 14)	40.95	41.37
Interest expenses on fair value of contingent consideration	4.65	12.49
Interest under income tax	2.05	0.04
	49.12	56.66

23. Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Depreciation of property, plant and equipment	153.48	118.34
Depreciation on right-of-use assets	102.00	112.19
Depreciation on investment property	1.47	1.47
Amortisation of intangible assets	19.98	24.04
	276.93	256.04

24. Other expenses

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Power and fuel	41.02	41.04
Rent - premises	50.84	37.73
Software subscription charges	128.45	94.44
Repair and maintenance	50.94	60.31
Commission	17.52	15.04
Travelling and conveyance	102.57	120.39
Communication costs	102.90	105.22
Legal and professional fees (including subcontracting expenses)	1,100.65	686.61
Cost of third party items	245.79	133.93
Auditors' remuneration (refer detail below)	24.26	25.10
Provision for doubtful debts (net)	-	2.90
Provision for doubtful advance (net)	-	2.60
Loss on sale / discarding of property, plant and equipment (net)	2.18	0.19
Loss on cancellation of leases (net)	0.11	-
Contribution towards corporate social responsibility (refer detail below)	11.49	5.26
Miscellaneous expenses	271.61	194.32
	2,150.33	1,525.08

(i) Detail of auditors remuneration

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
As auditor of the Company:		
Audit fee		
- Statutory audit fee	2.08	1.87
- Quarterly audit / limited review fee	3.02	2.73
- Out-of-pocket expenses	0.15	0.69
In other capacity:		
- Certification	0.85	0.40
Audit & other fees to the subsidiaries auditors	18.16	19.41
	24.26	25.10

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(ii) Contribution towards corporate social responsibility

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Amount required to be spent by the Company during the year	11.40	8.55
Amount spend by the Company in accordance with its Corporate Social Responsibility Policy	11.49	5.26

25. Exceptional items - net (refer to Note 33)

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Impairment of Goodwill	-	106.68
Other fair value gain on contingent consideration	-	(88.03)
	-	18.65

26. Income tax

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Current income tax		
In respect of the current year	326.06	211.08
In respect of the prior periods	1.57	(4.91)
Deferred tax charge / (credit)	(41.27)	(61.95)
Income tax expense recognised in the statement of profit and loss	286.36	144.22
Income tax recognised in other comprehensive income		
Deferred tax arising on income and expense recognised in other comprehensive income		
Net loss / (gain) on re-measurement of defined benefit plan	0.42	(4.60)
	286.78	139.62

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Profit before tax	1,700.72	962.21
Enacted income tax rate in India	34.94%	29.12%
Computed expected tax expense	594.30	280.20
Tax effect of:		
Income exempt from tax	(229.99)	(120.29)
Temporary differences not recognised in earlier year	(6.83)	(14.60)
Expenses that are not deductible in determining taxable profit	10.75	6.26
Different tax rates of other tax jurisdictions	(64.11)	(4.46)
Tax pertaining to prior years	1.57	(4.91)
Change in corporate tax rate	(26.31)	-
Others	6.98	2.02
Income tax expense recognised in the statement of profit and loss	286.36	144.22

Deferred tax assets and liabilities are attributable to the following:

(₹ in million)

Particulars	Deferred tax assets / (liabilities)	
	As at December 31, 2021	As at December 31, 2020
Deferred tax assets		
Provision for doubtful debts	2.25	1.89
Provision for gratuity	71.16	52.42
Other employee benefits	78.99	60.93
Difference in book values and tax base values of right-of-use assets and lease liabilities*	20.82	12.07
MAT credit entitlement	28.96	13.88
Tax Losses	7.77	17.77
Other Differences	4.11	2.78
Total Deferred tax assets (A)	214.06	161.74
Deferred tax liabilities		
Difference on account of Revenue Recognition	(4.08)	(1.60)
Difference between accounting base and tax base for depreciable assets	(11.45)	(7.13)
Net gain arising on financial assets measured at FVTPL	(7.77)	(5.25)
Mark-to-market gain on derivative instruments	(14.27)	(9.58)
Adjustment for change in the tax accounting method	(2.41)	(4.74)
Total Deferred tax liabilities (B)	(39.98)	(28.30)
Net deferred tax assets / (liabilities) (A+B)	174.08	133.44

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Deferred tax

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

(₹ in million)

Particulars	As at January 01, 2021	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Currency translation	As at December 31, 2021
Difference between accounting base and tax base for depreciable assets	(7.13)	(4.47)	-	0.15	(11.45)
Provision for doubtful debts	1.89	0.35	-	0.01	2.25
Difference on account of Revenue Recognition	(1.60)	(2.73)	-	0.25	(4.08)
Provision for gratuity	52.42	19.16	(0.42)	-	71.16
Other employee benefits	60.93	18.44	-	(0.38)	78.99
Mark-to-market gain on derivative instruments	(9.58)	(4.69)	-	-	(14.27)
Net gain arising on financial assets measured at FVTPL	(5.25)	(2.52)	-	-	(7.77)
Difference in book values and tax base values of right-of-use assets and lease liabilities*	12.07	8.81	-	(0.06)	20.82
MAT credit entitlement	13.88	15.08	-	-	28.96
Tax Losses	17.77	(10.14)	-	0.14	7.77
Adjustment for change in the tax accounting method	(4.74)	2.40	-	(0.07)	(2.41)
Other Differences	2.78	1.58	-	(0.25)	4.11
Total	133.44	41.27	(0.42)	(0.21)	174.08

Deferred tax assets / (liabilities) as at December 31, 2020 in relation to:

(₹ in million)

Particulars	As at January 01, 2020	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Currency translation	As at December 31, 2020
Difference between accounting base and tax base for depreciable assets	(15.60)	8.65	-	(0.18)	(7.13)
Provision for doubtful debts	1.99	(0.12)	-	0.02	1.89
Difference on account of Revenue Recognition	(4.71)	3.42	-	(0.31)	(1.60)
Provision for gratuity	38.87	8.95	4.60	-	52.42
Other employee benefits	48.62	11.51	-	0.80	60.93
Mark-to-market gain on derivative instruments	(2.55)	(7.03)	-	-	(9.58)
Net gain arising on financial assets measured at FVTPL	(8.57)	3.32	-	-	(5.25)
Difference in book values and tax base values of right-of-use assets and lease liabilities*	5.09	6.92	-	0.06	12.07
MAT credit entitlement	-	13.88	-	-	13.88
Tax Losses	9.97	7.51	-	0.29	17.77
Adjustment for change in the tax accounting method	(6.81)	2.26	-	(0.19)	(4.74)
Other Differences	-	2.68	-	0.10	2.78
Total	66.30	61.95	4.60	0.59	133.44

* Deferred tax on difference in book values and tax base values of right-of-use assets and lease liabilities represent the impact of transition to Ind AS 116.

The Group has not recognised deferred tax assets on the following:

(₹ in million)

Particulars	As at December 31, 2021	As at December 31, 2020
Unused tax losses of foreign jurisdiction *	1,662.11	1,708.60

* The unused tax losses will expire based on tax laws of the relevant jurisdictions.

The Group has two units at Greater Noida registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

A significant portion of the profits of the Group's operations are exempt from income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the Special Economic Zone Act, 2005 scheme, units in designated Special Economic Zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further period of five years subject to the unit meeting defined conditions.

NOTES**TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021****27. Earnings per share**

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. The Company did not have any potentially dilutive securities in any of the years presented.

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Net profit after tax (₹ in million)	1,414.36	817.99
Weighted average number of equity shares for calculating Basic and Diluted EPS	119,347,933	119,617,859
Earnings per share (Face value of shares ₹ 1)		
Basic and Diluted (₹)	11.85	6.84

28. a. Financial instruments

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

Particulars	Note reference	Basis of measurement	As at				Fair value hierarchy
			December 31, 2021		December 31, 2020		
			Carrying value	Fair value	Carrying value	Fair value	
(₹ in million)							
Assets							
Investments in other equity instruments	4	FVTPL	0.03	0.03	0.03	0.03	Level 3
Investments in mutual funds	4	FVTPL	132.25	132.25	128.02	128.02	Level 1
Trade receivables	7	Amortised cost	1,779.76	1,779.76	1,312.54	1,312.54	
Cash and cash equivalents	8a	Amortised cost	2,043.68	2,043.68	2,135.84	2,135.84	
Other bank balances	8b	Amortised cost	235.99	235.99	370.62	370.62	
Mark-to-market gain on derivative instruments	9	FVTPL	51.81	51.81	54.66	54.66	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	936.72	936.72	914.38	914.38	
Total			5,180.24	5,180.24	4,916.09	4,916.09	
Liabilities							
Borrowings	13	Amortised cost	10.61	10.61	230.17	230.17	
Trade payables		Amortised cost	360.82	360.82	216.53	216.53	
Contingent consideration for business acquisition	14,16	FVTPL	49.72	49.72	44.27	44.27	Level 3
Other financial liabilities	14,16	Amortised cost	934.38	934.38	772.59	772.59	
Total			1,355.53	1,355.53	1,263.56	1,263.56	

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

b. Fair value measurement using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the year ended December 31, 2021 and December 31, 2020

Particulars	Investments in other equity instruments	Contingent consideration for business acquisition
As at January 1, 2020	0.03	116.23
Interest expenses on fair value of contingent consideration	-	12.49
Other fair value gain on contingent consideration (refer to Note 33)	-	(88.03)
FCTR losses recognised in other comprehensive income	-	3.58
As at December 31, 2020	0.03	44.27
Interest expenses on fair value of contingent consideration	-	4.65
FCTR losses recognised in other comprehensive income	-	0.80
As at December 31, 2021	0.03	49.72

c. Valuation inputs and relationships to fair value of contingent consideration

Particulars	Fair value		Significant unobservable inputs	Probability-weighted range		Sensitivity
	As at December 31, 2021	As at December 31, 2020		As at December 31, 2021	As at December 31, 2020	
	Contingent consideration for business acquisition (refer to Note 33)	49.72		44.27	Expected cash outflows	
		Discount rate	10.40%	10.40%		

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

29. Financial risk management

Financial risk factors and risk management objectives

The Group's activities expose it to foreign currency risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by team that has the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Foreign currency risk

The Group's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars and Euros). A significant portion of the Group's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Group's revenues measured in Rupees may decrease or vice versa.

Derivative financial instruments

The Group holds derivative foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Group has not applied hedge accounting as these forward contracts do not qualify for hedge accounting. As at December 31, 2021, the Group has recognised mark-to-market asset of ₹ 51.81 million (previous year : ₹ 54.66 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market loss of ₹ 2.85 million (previous year mark-to-market gain of ₹ 41.37 million) for the year ended December 31, 2021 recorded as foreign exchange fluctuation.

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

Particulars	As at December 31, 2021	As at December 31, 2020
USD		
Foreign currency (million)	32.70	26.00
Average rate	77.22	76.97
Rupees (million)	2,525.15	2,001.21
EURO		
Foreign currency (million)	2.10	2.35
Average rate	91.47	88.82
Rupees (million)	192.09	208.72

The following table analyses Group's foreign currency exposure from non-derivative financial instruments as of December 31, 2021 and December 31, 2020:

As at December 31, 2021	Designated in foreign currency			Total
	USD	EURO	Others [#]	
Trade receivables	664.06	330.66	44.93	1,039.65
Other financial assets	10.33	-	1.49	11.82
Cash and cash equivalents and bank balances	437.13	158.21	3.79	599.13
Trade and other payables	96.92	179.88	9.84	286.64

(₹ in million)

(₹ in million)

As at December 31, 2020	Designated in foreign currency			Total
	USD	EURO	Others [#]	
Trade receivables	523.31	223.39	59.88	806.58
Other financial assets	1.11	-	1.49	2.60
Cash and cash equivalents and bank balances	464.00	104.99	3.14	572.13
Trade and other payables	99.06	91.21	2.53	192.80

[#] Others include currencies such as SGD, GBP, CAD, CHF etc.

Foreign currency sensitivity analysis

For the year ended December 31, 2021 and December 31, 2020, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Group's profit before tax margin by approximately 0.73% and 0.95%, respectively.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from deposits held with banks, investments with financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	Year ended	
	December 31, 2021	December 31, 2020
Revenue from top customer	824.95	675.86
Revenue from top 5 customers	1,899.91	1,669.25

(₹ in million)

No customer accounted for more than 10% of the revenue for the year ended December 31, 2021 and December 31, 2020. Further, there is one customer account for more than 10% of the receivable as at December 31, 2021 and one customer had more than 10% of the receivable as at December 31, 2020.

Investments including bank deposits

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

Liquidity risk

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

As at December 31, 2021, the Group had a working capital of ₹ 3,722.05 million including cash and cash equivalents and current fixed deposits of ₹ 2,615.61 million and current investments of ₹ 132.25 million. As at December 31, 2020, the Group had a working capital of ₹ 3,590.86 million including cash and cash equivalents and current fixed deposits of ₹ 3,130.68 million and current investments of ₹ 128.02 million. Accordingly, no liquidity risk is perceived.

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

Particulars	(₹ in million)	
	As at December 31, 2021	As at December 31, 2020
Less than 1 year		
Borrowings	4.15	4.30
Trade payables	360.82	216.53
Other financial liabilities	499.82	487.06
More than 1 year		
Borrowings	6.46	83.62
Other financial liabilities	484.28	472.05

30. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective, when managing capital, is to maintain an optimal structure so as to maximise shareholder value. The capital structure is as follows:

Particulars	(₹ in million)	
	As at December 31, 2021	As at December 31, 2020
Total equity attributable to the equity share holders of the Group	4,602.96	4,268.25
As percentage of total capital	88.86%	85.59%
Borrowings (including current maturities)	10.61	230.17
Lease liabilities (including current maturities)	566.70	488.16
Total borrowings and lease liabilities	577.31	718.33
As percentage of total capital	11.14%	14.41%
Total capital (equity, borrowings and lease liabilities)	5,180.27	4,986.58

The Group is predominantly equity financed which is evident from the capital structure table. Further, the Group always has surplus cash and bank balances invested in fixed deposit with banks, commercial deposits and liquid mutual funds.

31. Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided. The CODM has identified the following as its reportable segments.

- Information technology services
- Business process outsourcing services (Knowledge services)

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities of the Group are used interchangeably between segments and the CODM does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.

Geographic segments are based on the areas in which the major customers of the Group operate and / or the area in which the assets are located. Although the Group's major operating divisions are managed on a worldwide basis, they operate in five principal geographical areas of the world which are: India, North America, South East Asian countries, Europe and Other areas.

The following table provides required information for reportable segments for the year ended December 31, 2021 and December 31, 2020:

Particulars	(₹ in million)									
	Information technology services		Business process outsourcing services		Eliminations		Corporate and others		Total	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
REVENUE										
External sales	10,753.43	8,144.49	802.96	661.42					11,556.39	8,805.91
Inter-segment sales			25.01	25.06	25.01	25.06				
Total revenue	10,753.43	8,144.49	827.97	686.48	25.01	25.06			11,556.39	8,805.91
RESULTS										
Segment results	1,357.85	926.89	200.96	129.63					1,558.81	1,056.52
Unallocated corporate expenses									(110.80)	(128.37)
Operating profit									1,448.01	932.05
Finance costs									(49.12)	(56.66)
Interest income									66.85	53.20
Other unallocable income									234.98	18.87
Exceptional items - net (refer to Note 25)									-	18.65
Tax expense									(286.36)	(144.22)
Profit for the year									1,414.36	817.99
Other segment Information										
Depreciation and amortisation	269.80	246.93	5.66	7.64					1.47	1.47

Refer to Note 19 for geography-wise revenue.

Refer to Note 29 on financial risk management for information on revenue from major customers.

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TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

32. Related Party Disclosures

Names of related parties (refer to Note 1 for 'R Systems Group')

(i) Key management personnel

Sl. No.	Name of person	Designation	Company
1	Dr. Satinder Singh Rekhi	Managing Director & Chief Executive Officer	R Systems International Limited, India
		Director	R Systems, Inc., USA
		Director	R Systems (Singapore) Pte Ltd, Singapore
		Director	R Systems Technologies Ltd. USA
		Director	R Systems Computaris International Limited, UK
		Director	RSYS Technologies Ltd., Canada
		Director	R Systems IBIZCS Pte. Ltd., Singapore
2	Lt. Gen. Baldev Singh (Retd.)	President & Senior Executive Director	R Systems International Limited, India
3	Avirag Jain	Director & Chief Technology Officer	R Systems International Limited, India
4	Ruchica Gupta	Non-Executive Independent Director	R Systems International Limited, India
		Director	R Systems, Inc., USA
5	Kapil Dhameja	Non-Executive Independent Director	R Systems International Limited, India
6	Aditya Wadhwa	Non-Executive Independent Director	R Systems International Limited, India
7	Sartaj Singh Rekhi	Director	R Systems, Inc., USA
		Director	R Systems Consulting Services Limited, Singapore
		Director	R Systems Technologies Ltd. USA
		Director	R Systems Computaris International Limited, UK (w.e.f. December 20, 2021)
		Director	R Systems IBIZCS Pte. Ltd., Singapore (w.e.f. October 14, 2020)
8	Ramneet Singh Rekhi	Director	RSYS Technologies Ltd., Canada
		President	R Systems International Limited
9	Chan Kum Ming	Director	R Systems International Limited, UK (w.e.f. December 8, 2021)
		Director	R Systems Consulting Services Limited, Singapore
10	Raluca Marina Rusu	Director	R Systems (Singapore) Pte Ltd, Singapore
11	Joydeep Sen Chaudhuri	Director	R Systems Computaris International Limited, UK
12	Gunalan Kalairajan	Director	R Systems (Singapore) Pte Ltd, Singapore
13	Nand Sardana	Director	R Systems IBIZCS Pte. Ltd., Singapore
14	Nand Sardana	Chief Financial Officer	R Systems International Limited, India
14	Bhasker Dubey	Company Secretary & Compliance Officer	R Systems International Limited, India

(ii) Relatives of Key management personnel

- Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Chief Operating Officer – R Systems USA Operations
- Kuldeep Baldev Singh [related to Lt. Gen. Baldev Singh (Retd.)]
- Amrita Kaur Rekhi, (related to Dr. Satinder Singh Rekhi),
- Harpreet Rekhi, (related to Dr. Satinder Singh Rekhi)
- Anita Behl, (related to Dr. Satinder Singh Rekhi)

(iii) Enterprises where key management personnel or their relatives exercise significant influence

- The Satinder and Harpreet Rekhi Family Trust, USA

Details of transactions with related parties for the year ended December 31, 2021 and December 31, 2020:

(₹ in million)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Remuneration to key management personnel		
Short term employee benefits	223.15	196.69
Post-employment benefits	0.19	0.39
Other long-term employee benefits	0.67	1.54
Shared based payments	-	0.15
Sitting fee to independent directors	0.81	0.68
Total	224.81	199.45
Shares buyback		
The Satinder & Harpreet Rekhi Family Trust, USA	25.97	-
Sartaj Singh Rekhi	41.40	-
Ramneet Singh Rekhi	36.04	-
Dr. Satinder Singh Rekhi	16.42	-
Lt. Gen. Baldev Singh (Retd.)	0.02	-
Harpreet Rekhi	11.36	-
Nand Sardana	0.44	-
Total	131.65	-
Dividend paid#		
The Satinder and Harpreet Rekhi Family Trust, USA	66.99	17.73
Sartaj Singh Rekhi	106.91	28.89
Ramneet Singh Rekhi	92.95	24.60
Dr. Satinder Singh Rekhi	42.38	11.12#
Mandeep Singh Sodhi	2.71	0.88
Lt. Gen. Baldev Singh (Retd.)	0.05	0.15
Kuldeep Baldev Singh	2.12	0.01
Anita Behl	2.09	0.00*
Harpreet Rekhi	29.19	8.73#
Amrita Rekhi	0.00@	1.31
Nand Sardana	1.12	0.24
Avirag Jain	0.00@	0.00*
Chan Kum Ming	0.05	0.01
Total	346.56	93.67
Travel and other expenses reimbursed to the Company by		
Dr. Satinder Singh Rekhi	-	7.39
Total	-	7.39
Rent		
Dr. Satinder Singh Rekhi & Harpreet Rekhi	14.60	14.63
Total	14.60	14.63

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

* Dividend paid to: (a) Anita Behl ₹ 2,546; (b) Avirag Jain ₹ 150.

Includes dividend paid by RightMatch Holdings Limited amounting to ₹ 6.53 million.

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Outstanding balances of related parties as at December 31, 2021 and December 31, 2020:

(₹ in million)

Balance outstanding	As at December 31, 2021	As at December 31, 2020
Balance payable to key management personnel		
Dr. Satinder Singh Rekhi	11.15	12.29
Lt. Gen. Baldev Singh (Retd.)	0.87	0.60
Avirag Jain	1.87	1.48
Raluca Marina Rusu	4.13	3.50
Joydeep Sen Chaudhuri	0.91	0.59
Nand Sardana	1.26	0.76
Total	20.19	19.22

Also refer to Note 35

33. During the year ended December 31, 2019, R Systems, Inc. (a wholly owned subsidiary of the Company) had completed the acquisition of 100% interest in Innovizant LLC, (Innovizant) effective January 1, 2019. Innovizant was engaged in providing IT Services focused on advanced analytics, data engineering, and digital connected systems. As on the date of acquisition the management had assessed the fair value of investment at USD 2.85 million, out of which USD 1 million was paid on closing of the transaction and balance to be paid as earn outs on fulfillment of certain conditions as specified in the agreement.

During the year ended December 31, 2020, the management reversed the earn out payable amounting to ₹ 88.03 million (USD 1.19 million) which was not due to the ex-shareholder of Innovizant, basis the conditions specified in the agreement. The management assessed the carrying value of goodwill recognised on acquisition and impaired ₹ 106.68 million (USD 1.44 million) as the expected recoverable value was less than the carrying value of the asset due to non-achievement of thresholds as specified in the agreement. The impairment charge, net off the reversal of earn out payable has been disclosed as "Exceptional items" in the Consolidated Statement of Profit and Loss.

34. On June 30, 2021, IBIZ Consulting (Thailand) Co. Ltd., a wholly owned step down subsidiary of the Company has completed the business acquisition of implementing, providing maintenance and support for Microsoft Dynamics Navision ERP and other related information technology services from DC Dynamic Solution Co. Ltd ("the Seller") for a consideration of ₹ 6.99 million (THB 3.03 million). The Group has accounted this as business acquisition under Ind-AS 103 Business Combinations effective June 30, 2021.

Find below the details of Net Assets acquired through this acquisition

	THB in million	₹ in million
Purchase Consideration (A)	3.03	6.99
Assets, liabilities and intangible assets recognised on acquisition are as follows:		
Identifiable assets		
Property, plant and equipment	0.09	0.21
Non-compete	1.09	2.54
Customer contract	1.27	2.95
Intellectual property rights (Software)	1.09	2.54
Total identifiable assets (Total B)	3.54	8.24
Identifiable liabilities		
Unearned revenue	0.96	2.18
Total identifiable liabilities (Total C)	0.96	2.18
Net identifiable assets acquired D = (B-C)	2.58	6.06
Goodwill E = (A-D)	0.45	1.03

35. The Hon'ble National Company Law Tribunal, New Delhi Bench vide its order dated February 01, 2021 approved the scheme of amalgamation between R Systems International Limited (Transferee Company) and RightMatch Holdings Limited (Transferor Company) and their respective Shareholders and Creditors (the Scheme) under Section 230 to 232 of the Companies Act, 2013. The purpose of the amalgamation was to simplify the shareholding structure by reducing the shareholding tiers and also to demonstrate the promoters' direct commitment to and engagement with the Transferee Company.

Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme became effective on March 09, 2021. As per the Scheme, the appointed date was January 01, 2020.

In accordance with the Scheme, 8,828,489 (Eighty eight lakhs twenty eight thousand four hundred eighty nine) fully paid up equity shares of the face value of ₹ 1/- each of the Transferee Company has been issued and allotted to the equity shareholders of Transferor Company in the proportion of their respective equity shareholding in Transferor Company. Upon the issuance and allotment of aforesaid shares, the existing 8,828,489 equity shares of the Transferee Company as held by the Transferor Company have been extinguished. Further, the Scheme envisages transfer of all rights and obligations, assets and liabilities, interests and claims of the Transferor Company to the Transferee Company with effect from the appointed date.

The amalgamation has been accounted for under the "Pooling of interest" method referred to in Appendix C of IND AS 103 – Business Combination of Entities under Common Control, as prescribed by the Scheme. Accordingly, all the assets, liabilities and other reserves of the Transferor Company as on January 01, 2020 have been aggregated with those of the Transferee Company at their respective book values. The comparative financial information in the consolidated financial statements of the Transferee Company have been restated for the accounting impact of amalgamation, as if the amalgamation had occurred from the beginning of the comparative period.

Details of assets, liabilities and reserves of the Transferor Company as on January 01, 2020 and December 31, 2020 are as follows:

(₹ in million)

Particulars	As at January 1, 2020	As at December 31, 2020
Assets		
Current financial assets (Dividend receivable)	13.25	-
Cash and cash equivalents	6.18	3.63
Other current assets (Prepaid expenses)	0.31	0.36
Total Assets (A)	19.74	3.99
Liabilities		
Trade payables	0.32	0.56
Other current financial liabilities	0.54	1.33*
Total Liabilities (B)	0.86	1.89
Excess of assets over liabilities recognised in other equity (A-B)	18.88	2.10

* Balance amount received in advance from the erstwhile shareholders of the Transferor Company towards amalgamation expenses and remain utilised as on that date.

The total comprehensive income for the year ended December 31, 2020 has been adjusted to give effect of amalgamation. Consequent to this restatement, the profit after tax and total comprehensive income for the year ended December 31, 2020 is lower by ₹ 3.90 million and ₹ 3.72 million respectively and earnings per share is reduced by ₹ 0.03. Further, the shareholder of the Transferor Company has reimbursed expenses amounting to ₹ 7.39 million pursuant to this merger. Subsequent to the Appointed Date, the Transferor Company has paid dividend of ₹ 13.06 million to its shareholders.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

36. During the year ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006, which comes into force with effect from October 2, 2006. As per the Act, the Companies incorporated in India under the Group are required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based upon the information and the supplier profile available with the Companies incorporated in India under the Group, the management believes that there are no dues to such suppliers.

(₹ in million)

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	As at December 31, 2021	As at December 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

37. The Company has paid first interim dividend of ₹ 2.5/- per equity share of face value of ₹ 1/- each on July 14, 2021.

The Company has paid second interim dividend of ₹ 3.20/- per equity share of face value of ₹ 1/- each on November 26, 2021.

38. Subsequent to year ended December 31, 2021, the Company has received approval from Department of Commerce, Ministry of Commerce & Industry, Government of India for expansion of its existing Special Economic Zone units located at Greater Noida West (NCR) for additional space of approximate 48,320 sq. ft.

39. Additional Information pursuant to para 2 of general instruction for the preparation of consolidated financial statement

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		As % of consolidated net assets	Amount in ₹ (mn)	As % of consolidated profit or loss	Amount in ₹ (mn)	As % of consolidated other comprehensive income	Amount in ₹ (mn)	As % of consolidated total comprehensive income	Amount in ₹ (mn)
	Parent Entity								
1	R Systems International Limited, India	59.95	3,539.64	65.32	1,157.47	100.00	0.71	65.33	1,158.18
	Subsidiaries								
	Indian Subsidiaries								
1	IBIZ Consultancy Services India Private Limited, India	0.08	4.61	0.05	0.84	-	-	0.05	0.84
	Foreign Subsidiaries								
1	R Systems (Singapore) Pte Limited, Singapore	8.10	478.05	4.06	72.00	-	-	4.06	72.00
2	R Systems, Inc., USA	13.43	793.05	10.59	187.58	-	-	10.58	187.58
3	R Systems Technologies Ltd., USA	0.70	41.30	2.05	36.45	-	-	2.06	36.45
4	R Systems Consulting Services Limited, Singapore	1.98	116.81	(0.52)	(9.17)	-	-	(0.52)	(9.17)
5	R Systems Consulting Services (M) Sdn. Bhd., Malaysia	1.08	63.57	0.85	14.99	-	-	0.85	14.99
6	R Systems Consulting Services (Hong Kong) Ltd, Hong Kong	0.10	5.84	0.12	2.09	-	-	0.12	2.09
7	R Systems Consulting Services (Thailand) Co., Ltd., Thailand	(0.05)	(2.68)	(0.20)	(3.58)	-	-	(0.20)	(3.58)
8	R Systems Consulting Services Kabushiki Kaisha, Japan	(0.62)	(36.86)	(0.28)	(5.01)	-	-	(0.28)	(5.01)
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China	(1.05)	(61.73)	(0.05)	(0.82)	-	-	(0.05)	(0.82)
10	R Systems Computeris International limited, UK	3.96	233.83	1.94	34.36	-	-	1.94	34.36
11	R Systems Computeris Europe SRL, Romania	5.15	303.93	6.07	107.52	-	-	6.06	107.52

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2021	Amount in ₹ (mn)	December 31, 2021	Amount in ₹ (mn)	December 31, 2021	Amount in ₹ (mn)	December 31, 2021	Amount in ₹ (mn)
		As % of consolidated net assets		As % of consolidated profit or loss		As % of consolidated other comprehensive income		As % of consolidated total comprehensive income	
12	R Systems Computaris PolandSp. z o.o., Poland	1.38	81.39	1.12	19.76	-	-	1.11	19.76
13	R Systems Computaris S.R.L., Moldova	0.79	46.54	0.86	15.29	-	-	0.86	15.29
14	R Systems Computaris Malaysia Sdn. Bhd., Malaysia	0.18	10.36	0.04	0.72	-	-	0.04	0.72
15	R Systems Computaris Philippines Pte. Ltd. Inc., Philippines	0.14	8.33	(0.02)	(0.28)	-	-	(0.02)	(0.28)
16	R Systems Computaris Suisse Sarl, Switzerland	0.07	4.09	0.06	1.02	-	-	0.06	1.02
17	RSYS Technologies Ltd., Canada	1.75	103.11	1.94	34.45	-	-	1.94	34.45
18	R Systems IBIZCS Pte. Ltd., Singapore	1.91	112.95	3.71	65.81	-	-	3.71	65.81
19	IBIZ Consulting Services Pte Ltd., Singapore	0.54	31.94	0.01	0.13	-	-	0.01	0.13
20	R Systems IBIZCS Sdn. Bhd., Malaysia	0.61	35.98	1.87	33.09	-	-	1.87	33.09
21	PT. R Systems IBIZCS International, Indonesia	0.43	25.35	0.46	8.12	-	-	0.46	8.12
22	IBIZ Consulting Service Limited. Hong Kong	0.04	2.45	0.05	0.94	-	-	0.05	0.94
23	IBIZ Consulting Service Shanghai Co., Ltd., People's Republic of China	(0.79)	(46.15)	0.09	1.65	-	-	0.09	1.65
24	IBIZ Consulting (Thailand) Co. Ltd, Thailand	0.14	8.36	(0.19)	(3.28)	-	-	(0.18)	(3.28)
	Sub total	100.00	5,904.06	100.00	1,772.14	100.00	0.71	100.00	1,772.85
	Adjustment arising out of consolidation		(1,301.10)		(357.78)		(32.90)		(390.68)
	Total		4,602.96		1,414.36		(32.19)		1,382.17

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2020	Amount in ₹ (mn)	December 31, 2020	Amount in ₹ (mn)	December 31, 2020	Amount in ₹ (mn)	December 31, 2020	Amount in ₹ (mn)
		As % of consolidated net assets		As % of consolidated profit or loss		As % of consolidated other comprehensive income		As % of consolidated total comprehensive income	
	Parent Entity								
1	R Systems International Limited, India	61.74	3,428.92	75.76	697.07	100.00	(11.01)	75.48	686.06
	Subsidiaries								
	Indian Subsidiaries								
1	IBIZ Consultancy Services India Private Limited, India	0.07	3.76	0.16	1.48	-	-	0.16	1.48
	Foreign Subsidiaries								
1	R Systems (Singapore) Pte Limited, Singapore	8.52	473.27	(0.52)	(4.82)	-	-	(0.53)	(4.82)
2	R Systems, Inc., USA *	10.70	593.91	(8.55)	(78.60)	-	-	(8.66)	(78.60)
3	R Systems Technologies Ltd., USA	0.08	4.53	0.97	8.99	-	-	0.99	8.99
4	R Systems Consulting Services Limited, Singapore	2.28	126.36	1.02	9.39	-	-	1.03	9.39
5	R Systems Consulting Services (M) Sdn. Bhd., Malaysia	0.89	49.39	2.29	21.06	-	-	2.32	21.06
6	R Systems Consulting Services (Hong Kong) Ltd, Hong Kong	0.07	3.70	0.16	1.46	-	-	0.16	1.46
7	R Systems Consulting Services (Thailand) Co., Ltd., Thailand	0.02	0.87	1.10	10.09	-	-	1.11	10.09
8	R Systems Consulting Services Kabushiki Kaisha, Japan	(0.63)	(35.17)	0.24	2.26	-	-	0.24	2.26
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China	(1.05)	(58.21)	(0.15)	(1.40)	-	-	(0.15)	(1.40)
10	R Systems Computaris International limited,UK	7.08	393.33	12.06	110.94	-	-	12.21	110.94
11	R Systems Computaris Europe SRL, Romania	3.91	217.25	4.88	44.92	-	-	4.94	44.92

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

S. No.	Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income / (loss)		Share in total comprehensive income	
		December 31, 2020	Amount in ₹ (mn)	December 31, 2020	Amount in ₹ (mn)	December 31, 2020	Amount in ₹ (mn)	December 31, 2020	Amount in ₹ (mn)
		As % of consolidated net assets	As % of consolidated profit or loss	As % of consolidated other comprehensive income	As % of consolidated total comprehensive income				
12	R Systems Computaris Poland Sp. z o.o., Poland	1.20	1.98	-	-	18.19	2.00	18.19	
13	R Systems Computaris S.R.L., Moldova	0.57	1.05	-	-	9.62	1.06	9.62	
14	R Systems Computaris Malaysia Sdn. Bhd., Malaysia	0.18	0.37	-	-	3.36	0.37	3.36	
15	R Systems Computaris Philippines Pte. Ltd. Inc., Philippines	0.16	(0.03)	-	-	(0.32)	(0.04)	(0.32)	
16	R Systems Computaris Suisse Sarl, Switzerland	0.06	0.06	-	-	0.52	0.06	0.52	
17	RSYS Technologies Ltd., Canada	1.22	3.09	-	-	28.47	3.13	28.47	
18	R Systems IBIZCS Pte. Ltd., Singapore	2.04	2.49	-	-	22.89	2.52	22.89	
19	IBIZ Consulting Services Pte Ltd., Singapore	0.57	0.05	-	-	0.42	0.05	0.42	
20	R Systems IBIZCSSdh. Bhd., Malaysia	0.05	(0.80)	-	-	(7.39)	(0.81)	(7.39)	
21	PT. R Systems IBIZCS International, Indonesia	0.97	1.99	-	-	18.32	2.02	18.32	
22	IBIZ Consulting Service Limited, Hong Kong	0.03	-	-	-	0.02	-	0.02	
23	IBIZ Consulting Service Shanghai Co., Ltd., People's Republic of China	(0.82)	0.55	-	-	5.05	0.56	5.05	
24	IBIZ Consulting (Thailand) Co. Ltd, Thailand	0.09	(0.22)	-	-	(2.01)	(0.22)	(2.01)	
	Sub total	100.00	100.00	100.00	100.00	919.98	100.00	908.97	
	Adjustment arising out of consolidation		(101.99)			(11.01)		(15.06)	
	Total		4,268.25			817.99		893.91	

* After considering the impact of Innovizant LLC, USA merger

40. The financial statements have been approved by the Board of Directors at its meeting held on February 18, 2022.

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

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

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

sd/-
NAND SARDANA
Chief Financial Officer

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : Singapore
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Place : New Delhi
Date : February 18, 2022

Place : NOIDA
Date : February 18, 2022

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

List of Subsidiaries

(₹ in million, except exchange rate)

S. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency for the relevant Financial year in the case of foreign subsidiaries	Exchange rate as on the last date of the Financial year	Share Capital	Reserves & Surplus	Total assets	Total Liabilities	Investments (other than subsidiary and fellow associates)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	R Systems (Singapore) Pte Limited, Singapore	December 31, 2021	Singapore Dollar	55.10	420.47	57.58	524.39	46.34	-	446.78	72.22	-	72.22	-	100.00%
2	R Systems, Inc., USA (10)	December 31, 2021	US Dollar	74.34	114.28	678.77	1,146.75	353.70	-	2,357.78	209.26	20.40	188.86	-	100.00%
3	R Systems Technologies Ltd., USA	December 31, 2021	US Dollar	74.34	18.12	23.18	46.60	5.30	-	351.67	41.77	5.08	36.69	-	100.00%
4	R Systems Consulting Services Limited, Singapore (1)	December 31, 2021	Singapore Dollar	55.10	4,768.88	(4,652.07)	185.47	68.66	-	190.87	(9.04)	0.15	(9.19)	-	99.75%
5	R Systems Consulting Services (M) Sdn. Bhd. Malaysia (2)	December 31, 2021	Malaysian Ringgit	17.81	73.00	(9.43)	97.85	34.28	-	284.69	15.82	0.84	14.98	-	99.75%
6	R Systems Consulting Services (Hong Kong) Limited, Hong Kong (2) & (4)	December 31, 2021	Hong Kong Dollar	9.53	-	5.85	9.33	3.48	-	12.38	2.19	0.09	2.10	-	99.75%
7	R Systems Consulting Services (Thailand) Co. Ltd., Thailand (2)	December 31, 2021	Thai Baht	2.24	4.49	(7.18)	119.28	121.97	-	196.24	(3.33)	0.15	(3.48)	-	99.75%
8	R Systems Consulting Services Kabushiki Kaisha, Japan (2)	December 31, 2021	Japanese Yen	0.65	6.46	(43.32)	1.49	38.35	-	1.42	(4.78)	0.03	(4.81)	-	99.75%
9	R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China (2)	December 31, 2021	Chinese Yuan	11.68	19.33	(81.05)	35.12	96.84	-	33.23	(0.84)	-	(0.84)	-	99.75%

10	R Systems Computaris International Limited, UK	December 31, 2021	Euro	84.22	0.06	233.77	350.81	116.98	-	284.84	40.85	7.72	33.13	-	100.00%
11	R Systems Computaris Europe SRL, Romania (3)	December 31, 2021	Romania Leu	17.05	48.61	255.32	697.48	393.55	-	1,508.33	118.86	15.72	103.14	-	100.00%
12	R Systems Computaris Poland sp z o.o, Poland (3)	December 31, 2021	Polish Zloty	18.37	36.74	44.65	169.51	88.12	-	373.45	22.45	3.49	18.96	-	100.00%
13	R Systems Computaris SRL, Moldova (3)	December 31, 2021	Moldovan Leu	4.22	0.02	46.52	64.63	18.09	-	170.82	27.25	11.98	15.27	-	100.00%
14	R Systems Computaris Malaysia Sdn. Bhd., Malaysia (3)	December 31, 2021	Malaysian Ringgit	17.81	1.71	8.65	12.99	2.63	-	15.99	1.14	0.42	0.72	-	100.00%
15	R Systems Computaris Philippines Pte. Ltd. Inc., Philippines (3)	December 31, 2021	Philippine Peso	1.46	14.55	(6.21)	28.63	20.29	-	52.17	2.28	2.55	(0.27)	-	100.00%
16	R Systems Computaris Switzerland LLC, Switzerland (3)	December 31, 2021	Swiss Franc	81.46	4.32	(0.23)	4.94	0.85	-	12.50	1.05	0.02	1.03	-	100.00%
17	RSYS Technologies Ltd., Canada	December 31, 2021	Canadian Dollar	58.45	93.52	9.59	181.33	78.22	-	419.63	35.55	1.36	34.19	-	100.00%
18	R Systems IBIZCS Pte. Ltd., Singapore (5)	December 31, 2021	Singapore Dollar	55.10	63.42	49.53	279.61	166.66	-	332.87	69.64	3.63	66.01	-	100.00%
19	IBIZ Consulting Services Pte Ltd., Singapore (6)	December 31, 2021	Singapore Dollar	55.10	79.90	(47.95)	32.74	0.79	-	39.23	0.15	0.02	0.13	-	100.00%
20	R Systems IBIZCS SDN. BHD., Malaysia (6)	December 31, 2021	Malaysian Ringgit	17.81	8.90	27.08	91.39	55.41	-	166.41	40.13	7.05	33.08	-	100.00%
21	PT. RSYSTEMS IBIZCS International, Indonesia (6)	December 31, 2021	Indonesia Rupiah	0.01	12.50	11.73	53.40	29.17	-	73.51	9.89	2.04	7.85	-	100.00%

S. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period of foreign subsidiaries	Reporting currency for the relevant Financial year in the case of foreign subsidiaries	Exchange rate as on the last date of the relevant Financial year	Share Capital	Reserves & Surplus	Total assets	Total Liabilities	Investments (other than subsidiary and fellow associates)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
22	IBIZ Consultancy Services India Private Limited, India (8)	December 31, 2021	Indian Rupee	1.00	0.50	4.11	4.87	0.26	-	1.27	1.79	0.95	0.84	-	100.00%
23	IBIZ Consulting Service Limited, Hong Kong (6)	December 31, 2021	Hong Kong Dollar	9.53	0.10	2.36	47.06	44.60	-	9.61	0.95	-	0.95	-	100.00%
24	IBIZ Consulting Service Shanghai Co., Ltd., People's Republic of China (7)	December 31, 2021	Chinese Yuan	11.68	5.59	(51.74)	19.63	65.78	-	26.37	1.66	(0.02)	1.68	-	100.00%
25	IBIZ Consulting (Thailand) Co. Ltd., Thailand (6)	December 31, 2021	Thai Baht	2.24	13.46	(5.10)	12.88	4.52	-	6.41	(3.18)	-	(3.18)	-	100.00%

Notes :

- R Systems International Limited holds 69.37% directly in R Systems Consulting Services Limited, Singapore and 30.38% shares through its wholly owned subsidiary i.e. R Systems (Singapore) Pte Limited, Singapore and thus together it holds 99.75% of total capital of R Systems Consulting Services Limited, Singapore.
- Wholly owned subsidiary of R Systems Consulting Services Limited, Singapore which is the subsidiary of R Systems International Limited as explained in note no 1.
- Wholly owned subsidiary of R Systems Computaris International Limited, United Kingdom, which is the wholly owned subsidiary of R Systems International Limited.
- The absolute amount of share capital in R Systems Consulting Services (Hong Kong) Limited, Hong Kong is ₹ 12 /- (2 ordinary shares of HKD 1 each).
- Wholly owned subsidiary of R Systems (Singapore) Pte Ltd., Singapore which is the wholly-owned subsidiary of R Systems International Limited.
- Wholly owned subsidiary of R Systems IBIZCS Pte. Ltd., Singapore which is the wholly-owned subsidiary of R Systems (Singapore) Pte Limited, Singapore as explained in note no. 5.
- Wholly owned subsidiary of IBIZ Consulting Service Limited, Hong Kong which is the wholly-owned subsidiary of R Systems IBIZCS Pte. Ltd., Singapore as explained in note no. 6
- Reporting period for all the subsidiaries is financial year i.e. January to December except for IBIZ Consultancy Services India Private Limited which follows April to March as its financial year.
- INR numbers are derived by converting respective reporting currency using closing rate.
- After considering the impact of merger with Innovizant LLC.

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

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

Place : Singapore
Date : February 18, 2022

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

Place : NOIDA
Date : February 18, 2022

sd/-
NAND SARDANA
Chief Financial Officer

Place : New Delhi
Date : February 18, 2022

sd/-
BHASKER DUBEY
Company Secretary &
Compliance Officer

Place : NOIDA
Date : February 18, 2022

NOTICE

R SYSTEMS INTERNATIONAL LIMITED

NOTICE OF THE TWENTY EIGHTH ANNUAL GENERAL MEETING

[Corporate Identification Number – L74899DL1993PLC053579]

Registered Office: GF-1-A, 6, Devika Tower, Nehru Place, New Delhi-110019, India

Corporate Office: C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. – 201307, India

Tel.: +91-120-4303500;

Website: www.rsystems.com; Email: rsil@rsystems.com

NOTICE is hereby given that Twenty Eighth Annual General Meeting of the shareholders of R SYSTEMS INTERNATIONAL LIMITED (the "Company"/ "R Systems") will be held on Monday, June 20, 2022 at 9:30 A.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt audited financial statements (including consolidated financial statements) of the Company for the financial year ended December 31, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm two interim dividends of ₹ 2.50/- and ₹ 3.20/- per equity share, declared and paid during the financial year ended December 31, 2021.
3. To appoint a director in place of Lt. Gen. Baldev Singh (Retd.) (DIN:00006966), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as the Statutory Auditors of the Company and, if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 (five) years to hold office from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company.

RESOLVED FURTHER THAT approval of the shareholders, be and is hereby accorded for payment of audit fee of ₹ 5,700,000/- (Rupees Fifty Seven Lakhs Only) (plus fixed out of pocket expenses and administrative

charges at 3% of the audit fee) plus applicable out of pocket expenses and applicable taxes to M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, for the financial year 2022 and the Board of Directors on the recommendation of the Audit Committee, be and is hereby authorized to fix and pay the statutory fee and other charges as may be deemed fit for the remaining tenure of their re-appointment."

AS SPECIAL BUSINESS

5. To consider the appointment of Mr. Sartaj Singh Rekhi for holding office or place of profit, and if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (the "Act") read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any modification or re-enactment thereof for the time being in force) and such approvals as may be required, the approval of the members of the Company be and is hereby accorded to Mr. Sartaj Singh Rekhi, (son of Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company), for holding the office or place of profit in the Company and/ or its subsidiaries under the designation as President – APAC Operations at an annual base salary of USD 181,000/- (United States Dollar One Lakh Eighty One Thousand Only) and applicable sales commission plan as approved/ to be approved by the Nomination and Remuneration Committee of the Company, from time to time, to be paid by the Company or together with any of the subsidiary of the Company, along with a maximum annual increment of up to 10% on his base salary each year becoming due on every 01st January.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter and modify the terms and conditions of appointment including designation, roles & responsibilities and remuneration structure of Mr. Sartaj Singh Rekhi within the limits set out above.

NOTICE

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution, and the Board of Directors may, by a resolution delegate the aforementioned power to any committee of directors or any other Senior Management Personnel of the Company, on such conditions as the Board of Directors may deem fit.”

6. To consider the revision in the terms of payment of remuneration to Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director of the Company, and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT in partial modification to the resolution passed by the members in the 27th Annual General Meeting held on May 19, 2021 and pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 (the “Act”) and the rules made thereunder, read with Schedule V of the Act and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the approval of the Members of the Company, be and is hereby accorded for revision of remuneration of Lt. Gen. Baldev Singh (Retd.) (DIN: 00006966), President and Senior Executive Director of the Company, w.e.f. January 01, 2022 till the remaining period of his tenure i.e. till March 31, 2023 as follows:

1. Fixed annual salary will be ₹ 8,800,000/- (Rupees Eighty Eight Lakhs Only). The Fixed Salary can be paid as basic salary and through various allowances as per the policy of R Systems. The Fixed Salary may include contribution to Provident Fund, Pension Fund, and Superannuation as per Company policy.
2. He will be entitled for Maximum incentive at 0.05% of R Systems NOIDA IT and BPO revenue.
3. A chauffeur driven car for official purpose only and reimbursement of fuel and maintenance expenses subject to a maximum of ₹ 150,000/- (Rupees One Lakh Fifty Thousand Only) per annum.
4. Reimbursement of telephone bills and internet bills for his residence subject to a maximum of ₹ 50,000/- (Rupees Fifty Thousand Only) per annum.

5. He will also be eligible for the reimbursement of Medical Expenses incurred, for himself and his family only on actual incurred basis.
6. Leave travel assistance amounting to one ticket to USA once in a year. This may be in the form of one US ticket for any person to accompany him on either a business trip or just independent of his business trip.
7. He will be entitled to participate in Company’s stock options plan approved by the board from time to time.
8. He will be entitled for payment of gratuity as per the policy of the Company.
9. He will be entitled for an additional Performance Incentive up to ₹ 800,000/- (Rupees Eight Lakhs Only) to be paid during the financial year 2022.
10. He will be entitled to a maximum annual increment of 15% per annum on his fixed annual salary of the immediate preceding year, which will due on January 01, 2023, at the discretion of the Managing Director & Chief Executive Officer of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Lt. Gen. Baldev Singh (Retd.) as President and Senior Executive Director of the Company, the Company shall pay him the remuneration as specified above as the minimum remuneration.

RESOLVED FURTHER THAT except for the revision in remuneration, as stated above, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/ or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings, as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard as may be considered desirable or expedient by the Board of Directors, in the best interest of the Company.”

7. To consider the revision in the terms of payment of remuneration to Mr. Avirag Jain, Director & Chief Technology Officer, and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

“RESOLVED THAT in partial modification to the resolution passed by the members in the 26th Annual General Meeting held on June 30, 2020 and pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (the “Act”) read with Schedule V of the Act, and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any modification or re-enactment thereof for the time being in force), the approval of the Members of the Company, be and is hereby accorded for revision of remuneration of Mr. Avirag Jain (DIN: 00004801), Director & Chief Technology Officer of the Company, w.e.f. January 01, 2022, till the remaining period of his tenure i.e. till August 02, 2023 as follows:

- a) Fixed Gross Annual salary will be ₹ 6,808,500/- (Rupees Sixty Eight Lakhs Eight Thousand Five Hundred Only). The Fixed Salary can be paid as basic salary and through various allowances as per policy of R Systems. The Fixed Salary may include contribution to Provident Fund, Pension Fund, and Superannuation as per Company policy.
- b) He will be entitled for an incentive of 0.125% of eligible revenue as per the project incentive policy of the Company. Out of this, payment of ₹ 2,400,000/- per annum to be paid in equal monthly instalments.
- c) He will be entitled for payment of gratuity as per the policy of the Company.
- d) He will be entitled for an Additional Performance Incentive up to ₹ 1,250,000/- (Rupees Twelve Lakhs Fifty Thousand only) to be paid during the financial year 2022.

- e) He will be eligible for Company maintained car along with Driver, Group Mediclaim, Personal Accident Insurance, Term Insurance and other employment benefits as per the policy of the Company.
- f) He will be entitled up to a maximum annual increment of 15% per annum on his fixed gross annual salary of the immediate preceding year falling due on January 01, 2023.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Avirag Jain as Director & Chief Technology Officer of the Company, the Company shall pay him the remuneration as specified above as the minimum remuneration.

RESOLVED FURTHER THAT except for the revision in remuneration, as stated above, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/ or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings, as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board of Directors, in the best interest of the Company.”

By Order of the Board of Directors
For R Systems International Limited

Sd/-

Bhasker Dubey

(Company Secretary & Compliance Officer)

Date: May 13, 2022

Place: NOIDA

NOTICE

NOTES

1. In view of the COVID-19 global pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 05, 2020 read with General Circular No.17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 08, 2020 (hereafter referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/ OAVM. The Deemed Venue for the 28th AGM shall be the Registered Office of the Company. Since the AGM will be held through VC/ OAVM Facility, the Route Map is not annexed in this Notice.
2. Since, the AGM is being conducted through VC/ OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by members will not be available. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to sanjaygrover7@gmail.com with a copy marked to investors@rsystems.com.
4. The Members can join the AGM in the VC/ OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The register of members and share transfer books of the Company shall remain closed from Thursday, June 16, 2022 to Monday, June 20, 2022 (both days inclusive) for the purpose of Annual General Meeting.
6. The statutory register maintained under Section 170, 189 of the Act and all documents referred to in the Notice and accompanying explanatory statements will be available for inspection by members in electronic mode at the website of the Company at www.rsystems.com and also available at the website of CDSL during the 28th AGM. Members can inspect the same by sending an email to investors@rsystems.com.
7. Members holding shares in Physical form or Demat form who have not registered their email addresses with the Company/ Registrar and Share Transfer Agent ("RTA") or Depositories Participants ("DP") can obtain the Notice of 28th AGM and Annual Report 2021 by updating their e-mail address and Bank Account details with the RTA at the weblink: https://linkintime.co.in/EmailReg/Email_Register.html.
8. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, transfers of securities of the Company shall not be processed unless the securities are held in dematerialized form with a depository. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form, for ease in portfolio management.
9. The Securities and Exchange Board of India (SEBI) has mandated the updation of PAN, contact details, Bank account, specimen signature and nomination details against folio/ demat account. PAN is also required to be updated for participating in the securities market, deletion of name of deceased holder and transmission/ transposition of shares.

PAN details are required to be linked to Aadhar details as specified by Central Board of Direct Taxes.

Members are requested to submit PAN, contact details, Bank account, nomination details and specimen signature (as applicable) to their DP, in case of holding in dematerialised form, or to Company's RTA through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) available at <https://www.rsystems.com/investors-info/corporate-governance/> in case of holdings in physical form.

As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with RTA

or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DP. For relevant details/ forms, please visit the following link - <https://www.rsystems.com/investors-info/corporate-governance/>. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after April 01, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).

10. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate such changes to Company's RTA [through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable)].
11. Non-Resident Indian Members are requested to inform RTA, immediately of:
 - a. Change in their residential status.
 - b. Particulars of their bank account with complete name, branch, account number, account type and address of the Bank with pin code number.
12. Pursuant to provisions of Section 124 of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to Investor Education and Protection Fund ("IEPF"), established by the Central Government under the provisions of Section 125 of the Act. Shareholders are advised to claim the unclaimed dividend lying in the unpaid dividend account from the Company's RTA or directly from the Company. It may be noted that once the unclaimed dividend is transferred to IEPF of the Central Government as mentioned above, no claim shall lie in respect thereof against the Company.
13. As per Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend remains unpaid/ unclaimed for seven consecutive years are required to be compulsorily transferred to IEPF. The Company has individually sent notices to such members whose shares are required to be transferred to the demat Account of IEPF Authority. An advertisement to this effect was also published in leading English and Hindi Newspapers from time to time. The same is available on Company's website at the following link: <https://www.rsystems.com/investors-info/unpaid-and-unclaimed-dividend/>.
14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022, the Annual Report including audited financial statements for the financial year 2021 including notice of 28th AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those Members whose email addresses are not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 28th AGM and the Annual Report for the year 2021 and all other communication sent by the Company, from time to time, can get their email addresses registered with the RTA at the following link: https://linkintime.co.in/EmailReg/Email_Register.html.
15. Additional information, pursuant to Regulation 36 (5) of the Listing Regulations, in respect of re-appointment of Statutory Auditors at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Act, is appended hereto and forms part of this Notice. Requisite declarations have been received from the Auditors and Director seeking re-appointment.
16. The Annual Report of Financial Year ended December 31, 2021 of the Company along with the Notice convening this 28th AGM, will be made available on the Company's website at www.rsystems.com as well as on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on the website of CDSL at <https://www.evotingindia.com/>.
17. In compliance with the provisions of Regulation 44 of the Listing Regulations and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), the Company is pleased to provide electronic voting facility to its members for transacting all the businesses as stated in the Notice for the Twenty Eighth Annual General Meeting of the Company through remote e-voting services being provided by Central Depositories Services (India) Limited ("CDSL").

NOTICE

18. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM:

- (i) The voting period begins from Thursday, June 16, 2022 at 10:00 A.M. and ends on Sunday, June 19, 2022 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Monday, June 13, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, on 'e-Voting Facility Provided by Listed Entities', e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ Depository Participants to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none">1) Users who have opted for CDSL's Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/ Easiest are: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.2) After successful login the Easi/ Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/ her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by the Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/registration/Easiregistration.4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link available at https://web.cdslindia.com/myeasi/home/login. 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 during or before the AGM.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) 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.nsd.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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
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 1800 22 55 33.
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.: 1800 1020 990 and 1800 22 44 30.

NOTICE

(iv) Login method for e-Voting and joining virtual meeting for Physical Shareholders and Shareholders other than Individual Shareholders holding in Demat form:

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical Shareholders and Shareholders other than Individual Shareholders holding in Demat form:

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction 3).

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> (R Systems International Ltd.) on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) Note for Non – Individual Shareholders and Custodians –Remote Voting:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer viz: sanjaygrover7@gmail.com and to the Company at the email address viz: investors@rsystems.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

19. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- i. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. The link for VC/ OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions

mentioned above for Remote e-voting.

- iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- iv. Shareholders are encouraged to join the Meeting through Laptops/ IPads for better experience.
- v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 clear days prior to meeting mentioning their name, demat account number/ folio number, e-mail id, mobile number at investors@rsystems.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/ folio number, e-mail id, mobile number at investors@rsystems.com. These queries will be replied by the Company suitably in the AGM or by e-mail.
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- ix. Only those shareholders, who are present in the AGM through VC/ OAVM 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 system available during the AGM.
- x. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

NOTICE

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company email id i.e. investors@rsystems.com.
- ii. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company email id i.e. investors@rsystems.com.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

20. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, June 13, 2022.

21. M/s. Sanjay Grover & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting during AGM in a fair and transparent manner.
22. The Scrutinizer shall after the conclusion of voting at the AGM, will unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The results of remote e-voting and e-voting during AGM on the resolutions shall be aggregated and declared on or after the AGM of the Company. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM.
24. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. www.rsystems.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.
25. Details of Directors seeking re-appointment and revision in Remuneration at the Annual General Meeting to be held on Monday, June 20, 2022 pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards issued by ICSI is enclosed as Annexure-A to this notice.

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

Item No. 04

At the 23rd Annual General Meeting ("AGM") of the Company held on May 15, 2017, the shareholders had approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company, to hold office till the conclusion of the 28th AGM.

The Board of Directors at their meeting held on February 18, 2022, based on recommendations of the Audit Committee, have approved the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company, for a term of 5 (five) years i.e. from the conclusion of this AGM till the conclusion of 33rd AGM. The re-appointment of M/s. Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, have provided their consent and certificate(s) of eligibility to that effect that their re-appointment, if made, would be in compliance with the applicable laws.

The proposed remuneration to be paid to M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, for the financial year 2022 is ₹ 5,700,000/- (Rupees Fifty Seven Lakhs Only) (plus fixed out of pocket expenses and administrative charges at 3% of the audit fee) plus applicable out of pocket expenses and applicable taxes.

The remuneration to be paid to Statutory Auditors for the remaining tenure shall be fixed by the Board of Directors on the recommendation of the Audit Committee.

M/s. Deloitte Haskins & Sells, Mumbai has been converted to a Limited Liability Partnership (LLP), with the name Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm"), with effect from November 20, 2013. DHS LLP is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 2,500 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution at item no. 4 in relation to re-appointment and payment of remuneration of statutory auditors for the approval of the shareholders by way of ordinary resolution.

Item No. 05

Mr. Sartaj Singh Rekhi, son of Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company, was appointed in R Systems Inc., wholly owned subsidiary of R Systems International Limited (the "Company"), vide shareholders resolution dated May 01, 2007.

Further, Mr. Sartaj Singh Rekhi, aged about 41 years is an Associate of Arts from the American River College and a Graduate in Business from San Jose State University, with specialization in Marketing and Operations Management. He has also completed a program in Professional Wireless Communications conducted by IEEE and attended intensive workshops in Leadership Excellence and Strategic Marketing from UC Berkeley, California.

On the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee of the Company, the Board of Directors, subject to approval of the shareholders of the Company, in its meeting held on March 26, 2022 had accorded its consent to Mr. Sartaj Singh Rekhi for holding the place of profit under the designation of President- APAC Operations and to pay remuneration to him at an annual base salary of USD 181,000/- (United States Dollar One Lakh Eighty One Thousand Only) and commission plan as approved/ to be approved by the Nomination and Remuneration Committee of the Company, from time to time, to be paid by the Company or through one or more subsidiary(ies), pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 and rules made thereunder.

Information required under explanation 3 to sub-rule 3 of Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 is as under:

- a) Name of the related party - Mr. Sartaj Singh Rekhi.
- b) Name of the director or key managerial personnel who is related, if any – Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of R Systems International Limited.
- c) Nature of relationship - Mr. Sartaj Singh Rekhi is the son of Dr. Satinder Singh Rekhi.

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- d) Nature, material terms, monetary value and particulars of the contract or arrangements - His annual base salary will be USD 181,000/- (United States Dollar One Lakh Eighty One Thousand only) and applicable sales commission plan approved/ to be approved by the Nomination and Remuneration Committee of the Company, from time to time. Further, Mr. Sartaj Singh Rekhi will also be entitled for a maximum annual increment of up to 10% on his base salary, each year becoming due on every 01st January.
- e) Any other information relevant or important for the members to take a decision on the proposed resolution - Nil
- f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: N.A.
- g) Justification as to why the RPT is in the interest of the listed entity: Mr. Sartaj Singh Rekhi brings a rich experience to the R Systems Group and provides strategic direction to the group business. He works with overseas offices of the R Systems Group to ensure profitability and performance.
- h) A copy of the valuation or other external party report, if any such report has been relied upon: N.A.
- i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis: N.A.
- j) Any other information that may be relevant- Nil.

Information required as per SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is as under:

- a) Type, material terms and particulars of the proposed transaction: Appointment of Mr. Sartaj Singh Rekhi, son of Dr. Satinder Singh Rekhi, as President- APAC Operations and to pay remuneration to him at an annual base salary of USD 181,000/- (United States Dollar One Lakh Eighty One Thousand Only) plus sales commission plan as approved/ to be approved by the Nomination and Remuneration Committee of the Company, from time to time, to be paid by the Company or through one or more subsidiary(ies).
- b) Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise): Mr. Sartaj Singh Rekhi is the son of Dr. Satinder Singh Rekhi. Mr. Sartaj also holds directorship in various subsidiaries of the Company.
- c) Tenure of the proposed transaction (particular tenure shall be specified): Perpetual.
- d) Value of the proposed transaction: At an annual base salary of USD 181,000/- (United States Dollar One Lakh Eighty One Thousand Only) plus sales commission plan as approved/ to be approved by the Nomination and Remuneration Committee of the Company, from time to time.
- e) 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): 0.12% of annual consolidated turnover and applicable sales commission plan as approved/ to be approved by Nomination and Remuneration Committee.

Since, the above proposed remuneration falls under purview of Section 188 of the Companies Act 2013, the appointment will require prior approval of the shareholder's vide an Ordinary Resolution.

Except, Dr. Satinder Singh Rekhi, Mr. Sartaj Singh Rekhi and their relatives, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, but to the extent of their shareholding in the Company, in the proposed resolution set out at item No. 05.

The Board accordingly recommends the passing of the resolution no. 05, as contained in the notice for approval of the Members as an Ordinary Resolution.

Item No. 06

Lt. Gen. Baldev Singh (Retd.), aged about 81 years has more than 55 years of experience, including handling top managerial, diplomatic and human resource development related assignments. Mr. Singh has a Masters in Military Sciences from the prestigious Madras University in India and attended two short courses at University of California at Berkeley, in Strategic Account Management and Marketing. Lt. Gen. Baldev Singh (Retd.) joined the Board of R Systems on September 01, 1997. Since then he is continuously providing his guidance and support on the Board. Presently, Mr. Singh is heading the entire Noida IT and BPO Operations and his presence is crucial for the effective and efficient operations of the business.

Lt. Gen. Baldev Singh (Retd.) was re-appointed as President and Senior Executive Director of the Company for a term of two years i.e. from April 01, 2021 to March 31, 2023 by shareholders of the Company at their Annual General Meeting held on May 19, 2021.

Further, considering the contribution of Lt. Gen. Baldev Singh (Retd.) and progress made by the Company, particularly NOIDA IT and BPO division, under his leadership and guidance and as per recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on March 26, 2022, approved the revision in the remuneration of Lt. Gen. Baldev Singh (Retd.) effective from January 01, 2022 till his remaining term i.e. till March 31, 2023.

As on the date of this notice, Lt. Gen. Baldev Singh (Retd.), holds 8,242 equity shares of ₹ 1/- each, being 0.01% of the total paid up share capital of the Company. Apart from the employment benefits as President and Senior Executive Director of R Systems, he does not have any pecuniary or other relationship with the Company. Further, he does not hold any office of director/ member in other company's board/ committee except IBIZ Consultancy Services India Private Limited, wholly owned subsidiary of the Company.

Except Lt. Gen. Baldev Singh (Retd.) being interested and Dr. Satinder Singh Rekhi being the relative of Lt. Gen. Baldev Singh (Retd.), none of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, but to the extent of their shareholding in the Company, in the proposed resolution set out at item No. 06.

STATEMENT AS REQUIRED UNDER SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE RESOLUTION AT ITEM NO. 06 OF THE NOTICE FOR THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF R SYSTEMS INTERNATIONAL LIMITED

I GENERAL INFORMATION

a) Nature of Industry:

The Company is engaged in the business of providing software engineering, information technology related services and knowledge services.

b) Date or expected date of commencement of commercial production:

The Company is already in existence and is in operation since May 14, 1993.

c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

d) Financial performance based on given indicators:

Financial performance of the Company for last 3 years are as follows:

(₹ in million)

Particulars	Financial Year ended		
	31.12.2021	31.12.2020*	31.12.2019
Total Revenue	5,775.01	4,387.15	3,917.69
Profit before depreciation and tax	1,505.42	950.41	717.49
Less : Depreciation & amortisation expense [#]	146.49	134.61	85.91
Profit before tax	1,358.93	815.80	631.58
Less : Current tax (net of MAT credit)	245.27	149.86	104.22
Less : Deferred tax charge/ (credit)	(43.81)	(31.13)	12.41
Profit after tax	1,157.47	697.07	514.95
Other comprehensive income/ (loss)	0.71	(11.01)	(8.33)
Total comprehensive income for the year	1,158.18	686.06	506.62

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(₹ in million)

Particulars	Financial Year ended		
	31.12.2021	31.12.2020*	31.12.2019
Statement of change in Retained Earnings			
Opening Balance	3,116.03	2,423.29	2,124.85
Adjustment on account of merger of RightMatch Holdings Limited	-	19.22	-
Adjustment on adoption of Ind AS 116	-	(10.49)	-
Adjusted opening balance	3,116.03	2,432.02	2,124.85
Add: Profit for the current year	1,157.47	697.07	514.95
Less: Dividend Paid	677.66	-	216.51 [§]
Less: Dividend paid by RightMatch Holdings Limited	-	13.06	-
Less: Buyback of shares (including tax)	168.10	-	-
Closing Balance	3,427.74	3,116.03	2,423.29

* Hon'ble National Company Law Tribunal, New Delhi Bench, vide order dated February 01, 2021 approved the Scheme of Amalgamation between R Systems International Limited (Transferee Company) and RightMatch Holdings Limited (Transferor Company) and their respective Shareholders and Creditors (the Scheme) under Section 230 to 232 of the Companies Act, 2013.

The amalgamation was accounted for under the "Pooling of interest" method referred to in Appendix C of IND AS 103 – Business Combination of Entities under Common Control, as prescribed by the Scheme. Consequent to the amalgamation, profit before tax and total comprehensive income of the Transferee Company for the year ended December 31, 2020 was reduced by ₹ 3.90 mn. and ₹ 3.72 mn., respectively.

Depreciation and amortisation expense for the year 2019 was before Ind AS 116 adoption.

§ Including taxes.

e) Foreign investments or collaborators, if any:

R Systems has investments from non-residents and R Systems has made investments outside India. As on date of this notice, R Systems has following subsidiaries:

- i) R Systems, Inc. (wholly owned subsidiary of Company).
- ii) R Systems Technologies Limited (wholly owned subsidiary of the Company).
- iii) RSYS Technologies Ltd. (wholly owned subsidiary of the Company).
- iv) R Systems Computaris International Limited (Formerly known as Computaris International Limited) (wholly owned subsidiary of the Company), has six subsidiaries.
- v) R Systems Consulting Services Limited (Formerly Known as ECnet Limited) (subsidiary of the Company), has five subsidiaries.
- vi) R Systems (Singapore) Pte Limited (wholly owned subsidiary of the Company), has one subsidiary which has further six step down subsidiaries.
- vii) IBIZ Consultancy Services India Private Limited (wholly owned subsidiary of the Company).

f) Export performance and net foreign exchange collaborations:

R Systems has investments from non-residents. Foreign exchange earnings and out go of the Company for last 3 years is as follows:

(₹ in million)

Particulars	Financial Year ended		
	December 31, 2021	December 31, 2020*	December 31, 2019
(a) Earnings (Accrual Basis)	5,770.20	4,272.28	3,837.70
(b) Expenditure (Accrual Basis)	695.83	519.17	537.80
(c) CIF value of imports	64.27	61.78	84.90

*Expenditure in foreign currency for the year ended December 31, 2020 includes expenses incurred by RightMatch Holdings Limited amounting to ₹ 3.90 mn.

II. INFORMATION ABOUT THE DIRECTOR

a) Background details:

Lt. Gen. Baldev Singh (Retd.) has more than 55 years of experience, including handling top managerial, diplomatic and human resource development related assignments. Mr. Singh has a Masters in Military Sciences from the prestigious Madras University in India and attended two short courses at University of California at Berkeley, in Strategic Account Management and Marketing. Lt. Gen. Baldev Singh (Retd.) joined the Board of R Systems on September 01, 1997. Since then he is continuously providing his guidance and support on the Board. Presently, Lt. Gen. Baldev Singh (Retd.) is heading the entire Noida IT and BPO Operations and his presence is crucial for the effective and efficient operations of the business. Lt. Gen. Baldev Singh (Retd.) is related to Dr. Satinder Singh Rekhi.

b) Past remuneration:

Remuneration paid during the last three financial year:

(₹ in million)

For the year ended	Remuneration
December 31, 2021	10.05
December 31, 2020	8.43
December 31, 2019	8.19

c) Recognition or awards:

Lt. Gen. Baldev Singh (Retd.) has a Masters in Military Sciences from the prestigious Madras University in India and attended two short courses at University of California at Berkeley, in Strategic Account Management and Marketing.

d) Job profile and his suitability:

Lt. Gen. Baldev Singh (Retd.), being the President and Senior Executive Director of R Systems is heading the entire Noida IT and BPO Operations. Lt. Gen. Baldev Singh (Retd.) has more than 55 years of experience, including handling top managerial, diplomatic and human resource development related assignments. Mr. Singh has a Masters in Military Sciences from the prestigious Madras University in India and attended two short courses at University of California at Berkeley, in Strategic Account Management and Marketing. He had joined the Board of R Systems on September 01, 1997. Since then, he is continuously providing his guidance and support on the Board and his presence is important for the effective and efficient operations of the business.

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e) Remuneration proposed:

In recognition to the contribution of Lt. Gen. Baldev Singh (Retd.) towards achieving Company's objectives, it is proposed by the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, to pay following remuneration to Lt. Gen. Baldev Singh (Retd.) w.e.f. January 01, 2022, till remaining period of his tenure i.e. till March 31, 2023:

- i. Fixed annual salary will be ₹ 8,800,000/- (Rupees Eighty Eight Lakhs Only). The Fixed Salary can be paid as basic salary and through various allowances as per policy of R Systems. The Fixed Salary may include contribution to Provident Fund, Pension Fund, and Superannuation as per Company policy.
- ii. He will be entitled for maximum incentive at 0.05% of R Systems NOIDA IT and BPO revenue.
- iii. A chauffeur driven car for official purpose only and reimbursement of fuel and maintenance expenses, subject to a maximum of ₹ 150,000/- (Rupees One Lakh Fifty Thousand Only) per annum.
- iv. Reimbursement of telephone bills and internet bills for his residence subject to a maximum of ₹ 50,000/- (Rupees Fifty Thousand Only) per annum.
- v. He will also be eligible for the reimbursement of Medical Expenses incurred for himself and his family only on actual incurred basis.
- vi. Leave travel assistance amounting to one ticket to USA once in a year. This may be in the form of one US ticket for any person to accompany him on either a business trip or just independent of his business trip.
- vii. He will be entitled to participate in Company's stock options plan approved by the board from time to time.
- viii. He will be entitled for payment of gratuity as per the policy of the Company.
- ix. He will be entitled for an additional Performance Incentive up to ₹ 800,000/- (Rupees Eight Lakhs Only) to be paid during the financial year 2022.
- x. He will be entitled to a maximum annual increment of 15% per annum on his fixed annual salary of the immediate preceding year, which will due on January 01, 2023, at the discretion of the Managing Director & Chief Executive Officer of the company.

f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (incase of expatriates the relevant details would be w.r.t. the country of his origin);

The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparable qualification and experience.

g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

As on the date of this notice, Lt. Gen. Baldev Singh (Retd.) holds 8,242 equity shares of ₹ 1/- each being 0.01% of the total paid up share capital in R Systems. Apart from the employment benefits as President and Senior Executive Director of R Systems, he does not have any pecuniary or other relationship with the Company. As on the date of this report, he had no Stock Options in force.

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

III. OTHER INFORMATION

a) Reasons of loss or in adequate profits:

The Company has made a reasonable profit during the last financial year ended on December 31, 2021. R Systems total revenue increased to ₹ 5,775.01 mn. as against ₹ 4,387.15 mn. during the previous year. Profit after tax for the year ended on December 31, 2021 was ₹ 1,157.47 mn. as against ₹ 697.07 mn. during the previous year.

- b) Steps taken or proposed to be taken for improvement:
R Systems management process involves taking continuous steps to improve performance through growth in revenues, managing costs and improving productivity. The financial strategy involves maintaining a secure financial position, managing risks and ensuring accurate and timely reporting of performance.
- c) Expected increase in productivity and profits in measurable terms:
Barring unforeseen circumstances, R Systems expects to close the current financial year with improved sales and profitability.

IV. DISCLOSURES

- a) Remuneration package of the managerial person: Same is fully described in the respective Resolution and/ or Explanatory Statement;
- b) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' has been attached to the Annual Report in respect of the:
 - (i) All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
 - (ii) Details of fixed component and performance linked incentives along with the performance criteria;
 - (iii) Service contracts, notice period, severance fees;
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board recommends the resolution at Item No. 06 in relation to the revision in remuneration of Lt. Gen. Baldev Singh (Retd.) as President and Senior Executive Director of the Company for the approval by the shareholders by way of Special Resolution.

Item No.07

Mr. Avirag Jain, aged about 56 years has more than 29 years of rich experience in managing large on-site, off-site and offshore projects in Banking, Telecom, Healthcare and other domains. He is heading the on-site, off-site and offshore Delivery of R Systems for more than 24 years. Mr. Avirag Jain is a strong technocrat with blend of managerial, people and customer skills. Mr. Avirag Jain is a Graduate in Science and an MBA in Finance and International business from IMT, Ghaziabad. He also has a post-graduate diploma in Cyber Law from the Asian School of Cyber Laws, Pune, apart from several certifications on diverse technology and management subjects.

The Shareholders of the Company in their meeting held on June 30, 2020 have approved the re-appointment and remuneration of Mr. Avirag Jain, Director & Chief Technology Officer of the Company, for a term of 3 years i.e. August 03, 2020 till August 02, 2023.

In recognition to the contribution of Mr. Avirag Jain towards achieving Company's objectives, and as per recommendation of Nomination & Remuneration Committee, the Board at its meeting held on March 26, 2022, approved the revision in the remuneration of Mr. Avirag Jain from January 01, 2022 till his remaining tenure i.e. till August 02, 2023.

As on the date of this notice, Mr. Avirag Jain holds 100 equity shares of ₹ 1/- each being negligible percentage of the total paid up share capital of the Company. Apart from the employment benefits as Director & Chief Technology Officer of R Systems, he does not have any pecuniary or other relationship with the Company. Further, he does not hold any office of director/ member in other company's board/ committee except IBIZ Consultancy Services India Private Limited, wholly owned subsidiary of the Company.

Except Mr. Avirag Jain, being interested, none of the Directors and Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, but to the extent of their shareholding in the Company, in the resolutions set out at item No. 07.

NOTICE

STATEMENT AS REQUIRED UNDER SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE RESOLUTION AT ITEM NO. 07 OF THE NOTICE FOR THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF R SYSTEMS INTERNATIONAL LIMITED

I GENERAL INFORMATION

a) Nature of Industry:

The Company is engaged in the business of providing software engineering, information technology related services and knowledge services.

b) Date or expected date of commencement of commercial production:

The Company is already in existence and is in operation since May 14, 1993.

c) Incase of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

d) Financial performance based on given indicators:

Financial performance of the Company for last 3 years are as follows:

(₹ in million)

Particulars	Financial Year ended		
	31.12.2021	31.12.2020*	31.12.2019
Total Revenue	5,775.01	4,387.15	3,917.69
Profit before depreciation and tax	1,505.42	950.41	717.49
Less : Depreciation & amortisation expense [#]	146.49	134.61	85.91
Profit before tax	1,358.93	815.80	631.58
Less : Current tax (net of MAT credit)	245.27	149.86	104.22
Less : Deferred tax charge/ (credit)	(43.81)	(31.13)	12.41
Profit after tax	1,157.47	697.07	514.95
Other comprehensive income/ (loss)	0.71	(11.01)	(8.33)
Total comprehensive income for the year	1,158.18	686.06	506.62
Statement of change in Retained Earnings			
Opening Balance	3,116.03	2,423.29	2,124.85
Adjustment on account of merger of RightMatch Holdings Limited	-	19.22	-
Adjustment on adoption of Ind AS 116	-	(10.49)	-
Adjusted balance of Opening Retained Earnings	3,116.03	2,432.02	2,124.85
Add: Profit for the current year	1,157.47	697.07	514.95
Less: Dividend Paid	677.66	-	216.51 [§]
Less: Dividend paid by RightMatch Holdings Limited	-	13.06	-
Less: Buyback of shares (including tax)	168.10	-	-
Closing Balance	3,427.74	3,116.03	2,423.29

*Hon'ble National Company Law Tribunal, New Delhi Bench, vide order dated February 01, 2021 approved the Scheme of Amalgamation between R Systems International Limited (Transferee Company) and RightMatch Holdings Limited (Transferor Company) and their respective Shareholders and Creditors (the Scheme) under Section 230 to 232 of the Companies Act, 2013.

The amalgamation was accounted for under the “Pooling of interest” method referred to in Appendix C of IND AS 103 – Business Combination of Entities under Common Control, as prescribed by the Scheme. Consequent to the amalgamation, profit before tax and total comprehensive income of the Transferee Company for the year ended December 31, 2020 was reduced by ₹ 3.90 mn. and ₹ 3.72 mn., respectively.

Depreciation and amortisation expense for the year 2019 was before Ind AS 116 adoption.

§ Including taxes.

e) Foreign investments or collaborators, if any:

R Systems has investments from non-residents and R Systems has made investments outside India. As on date of this notice, R Systems has following subsidiaries:

1. R Systems, Inc. (wholly owned subsidiary of Company).
2. R Systems Technologies Limited (wholly owned subsidiary of the Company).
3. R SYS Technologies Ltd. (wholly owned subsidiary of the Company).
4. R Systems Computaris International Limited (Formerly known as Computaris International Limited) (wholly owned subsidiary of the Company), has six subsidiaries.
5. R Systems Consulting Services Limited (Formerly Known as ECnet Limited) (subsidiary of the Company), has five subsidiaries.
6. R Systems (Singapore) Pte Limited (wholly owned subsidiary of the Company), has one subsidiary which has further six step down subsidiaries.
7. IBIZ Consultancy Services India Private Limited (wholly owned subsidiary of the Company).

f) Export performance and net foreign exchange collaborations:

R Systems has investments from non-residents. Foreign exchange earnings and outgo of the Company for last 3 years is as follows:

(₹ in million)

Particulars	Financial Year ended		
	December 31, 2021	December 31, 2020*	December 31, 2019
(a) Earnings (Accrual Basis)	5,770.20	4,272.28	3,837.70
(b) Expenditure (Accrual Basis)	695.83	519.17	537.80
(c) CIF value of imports	64.27	61.78	84.90

* Expenditure in foreign currency for the year ended December 31, 2020 includes expenses incurred by RightMatch Holdings Limited amounting to Rs. 3.90 mn.

II. INFORMATION ABOUT THE DIRECTOR

a) Background details:

Mr. Avirag Jain has more than 29 years of rich experience in managing large on-site, off-site and offshore projects in Banking, Telecom, Healthcare and other domains. He is heading the on-site, off-site and offshore Delivery of R Systems for more than 24 years. Mr. Avirag Jain is a strong technocrat with blend of managerial, people and customer skills. Mr. Avirag Jain is a Graduate in Science and an MBA in Finance and International business from IMT, Ghaziabad. He also has a post-graduate diploma in Cyber Law from the Asian School of Cyber Laws, Pune, apart from several certifications on diverse technology and management subjects.

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b) Past remuneration:

Remuneration paid during the last three financial year

(₹ in million)

For the year ended	Remuneration
December 31, 2021	10.18
December 31, 2020	9.34
December 31, 2019	7.88

c) Recognition or awards:

Mr. Avirag Jain is a Graduate in Science and an MBA in Finance and International business from IMT, Ghaziabad. He also has a post-graduate diploma in Cyber Law from the Asian School of Cyber Laws, Pune, apart from several certifications on diverse technology and management subjects.

d) Job profile and his suitability:

Mr. Avirag Jain, being the Director & Chief Technology Officer of R Systems is heading the on-site, off-site and offshore Delivery of R Systems for more than 24 years. Mr. Avirag Jain has more than 29 years of rich experience in managing large on-site, off-site and offshore projects in Banking, Telecom, Healthcare and other domains. Mr. Avirag Jain is a Graduate in Science and an MBA in Finance and International business from IMT, Ghaziabad. He also has a post-graduate diploma in Cyber Law from the Asian School of Cyber Laws, Pune, apart from several certifications on diverse technology and management subjects. He is with R Systems since 1997. Since then he is continuously providing his guidance and support to the Company and his presence is important for the effective and efficient operations of the business.

e) Remuneration proposed:

In recognition to the contribution of Mr. Avirag Jain towards achieving Company's objectives, it is proposed by the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, to pay following remuneration to Mr. Avirag Jain w.e.f. January 01, 2022 till remaining period of his tenure i.e. till August 02, 2023:

- i. Fixed Gross Annual salary will be ₹ 6,808,500/- (Rupees Sixty Eight Lakhs Eight Thousand Five Hundred Only). The Fixed Salary can be paid as basic salary and through various allowances as per policy of R Systems. The Fixed Salary may include contribution to Provident Fund, Pension Fund, and Superannuation as per Company policy.
- ii. He will be entitled for an Incentive of 0.125% of eligible revenue as per the project incentive policy of the Company. Out of this, payment of ₹ 2,400,000/- per annum to be paid in equal monthly instalments.
- iii. He will be entitled for payment of gratuity as per the policy of the Company.
- iv. He will be entitled for an Additional Performance Incentive up to ₹ 1,250,000/- (Rupees Twelve Lakhs Fifty Thousand Only) to be paid during the financial year 2022.
- v. He will be eligible for Company maintained car along with Driver, Group Mediclaim, Personal Accident Insurance, Term Insurance and other employment benefits as per the policy of the Company.
- vi. He will be entitled up to a maximum annual increment of 15% per annum on his Fixed Gross Annual salary of the immediate preceding year falling due on January 01, 2023.

f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (incase of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparable qualification and experience.

- g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

As on the date of this notice, Mr. Avirag Jain holds 100 equity shares of ₹ 1/- each (negligible percentage of the total paid up share capital in R Systems). Apart from the employment benefits as Director & Chief Technology Officer of R Systems, he does not have any pecuniary or other relationship with the Company. As on the date of this notice, he has no outstanding Stock Options.

III. OTHER INFORMATION

- a) Reasons of loss or in adequate profits:

The Company has made reasonable profit during the last financial year ended on December 31, 2021. R Systems total revenue increased to ₹ 5,775.01 mn. as against ₹ 4,387.15 mn. during the previous year. Profit after tax for the year ended on December 31, 2021 was ₹ 1,157.47 mn. as against ₹ 697.07 mn. during the previous year.

- b) Steps taken or proposed to be taken for improvement:

R Systems management process involves taking continuous steps to improve performance through growth in revenues, managing costs and improving productivity. The financial strategy involves maintaining a secure financial position, managing risks and ensuring accurate and timely reporting of performance.

- c) Expected increase in productivity and profits in measurable terms:

Barring unforeseen circumstances, R Systems expects to close the current financial year with improved sales and profitability.

IV. DISCLOSURES

- a) Remuneration package of the managerial person: Same is fully described in the respective Resolution and/ or Explanatory Statement;
- b) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' has been attached to the Annual Report in respect of the:
- (i) All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
 - (ii) Details of fixed component and performance linked incentives along with the performance criteria;
 - (iii) Service contracts, notice period, severance fees;
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board recommends the resolution at Item No. 07 in relation to the revision in remuneration to Mr. Avirag Jain, Director & Chief Technology Officer of the Company for the approval by the shareholders by way of Special Resolution.

By Order of the Board of Directors
For R Systems International Limited

Date: May 13, 2022
Place: NOIDA

Sd/-
Bhasker Dubey
(Company Secretary & Compliance Officer)

ANNEXURE A

Details of Directors seeking re-appointment and revision in Remuneration at the Annual General Meeting to be held on Monday, June 20, 2022 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI.

Name of Director	Mr. Avirag Jain	Lt. Gen. Baldev Singh (Retd.)
Date of Birth	March 28, 1966	September 21, 1940
Initial Date of Appointment	August 3, 2017	September 1, 1997
Qualifications	Graduate in Science and an MBA in Finance and International business from IMT, Ghaziabad. Postgraduate diploma in Cyber Law from the Asian School of Cyber Laws, Pune, apart from several certifications on diverse technology and management subjects.	Masters in Military Sciences- Madras University
Expertise in specific functional area	Mr. Avirag Jain has more than 29 years of rich experience in managing large on-site, off-site and Offshore projects in Banking, Telecom, Healthcare and other domains. He is heading the on site, off site and Offshore Delivery of R Systems since 1997. Mr. Jain is a strong technocrat with blend of managerial, people and customer skills.	Lt. Gen. Baldev Singh (Retd.) has more than 55 years of experience, including handling top managerial, diplomatic and human resource development related assignments. Mr. Singh has a Masters in Military Sciences from the prestigious Madras University in India and attended two short courses at University of California at Berkeley, in Strategic Account Management and Marketing.
Past Remuneration	Details have been provided in the notice of 28 th AGM.	Details have been provided in the notice of 28 th AGM.
Terms and conditions of Re-appointment	Not Applicable	Lt. Gen. Baldev Singh (Retd.) is liable to retire by rotation and being eligible, offers himself for re-appointment.
Remuneration proposed to be paid	The proposed remuneration details are given in Explanatory Statement of the notice of 28 th AGM.	The proposed remuneration details are given in Explanatory Statement of the notice of 28 th AGM.
Directorship held in other Companies as on date	IBIZ Consultancy Services India Private Limited, wholly owned subsidiary of the Company.	IBIZ Consultancy Services India Private Limited, wholly owned subsidiary of the Company.
Membership/ Chairmanship in Committees of other companies as on date	Nil	Nil
Number of shares held in Company [#]	100 equity shares	8,242 equity shares
Relationships between Directors inter-se	Nil	Lt. Gen. Baldev Singh (Retd.) is related to Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer of the Company.
No. of Board Meetings attended during the Financial year ended December 31, 2021	7 out of 7 Board Meetings held during the Financial Year.	7 out of 7 Board Meetings held during the Financial Year.

[#] As on May 10, 2022.



R Systems International Limited

Registered Office: GF-1-A, 6, Devika Tower,
Nehru Place, New Delhi-110019 (INDIA)

Corporate Office: C - 40 Sector - 59,
Noida (U.P.) - 201 307 (INDIA)

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