R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number: L74899DL1993PLC053579
Registered Office: GF-1-A, 6, Devika Tower, Nehru Place, New Delhi – 110019, India
Corporate Office: 3rd Floor, Tower No. 1, IT/ITES SEZ of Artha Infratech Pvt. Ltd, Plot No. 21, Sector TechZone-IV, Greater Noida West, Gautam Buddha Nagar, Uttar Pradesh - 201306, India

rsystems.com

Phone: +91-120-4303500 | **Email:** rsil@rsystems.com

REF: SECT/06/2025/28

DATE: JUNE 27, 2025

To
The Managing Director
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra – East, Mumbai – 400 051
Symbol: RSYSTEMS

To
The General Manager
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai,
Maharashtra- 400001
Scrip code: 532735

Dear Sir/ Madam,

REF.: REGULATION 30 READ WITH PARA-A PART-A OF SCHEDULE III OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED ("SEBI LISTING REGULATIONS")

SUB: NOTICE OF MEETING OF UNSECURED CREDITORS OF R SYSTEMS INTERNATIONAL LIMITED CONVENED PURSUANT TO THE ORDER PASSED BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH

This is in furtherance to our earlier letter dated May 23, 2025, wherein it was informed that Hon'ble National Company Law Tribunal, New Delhi Bench has directed, inter alia, to convene meeting of Equity Shareholders and Unsecured Creditors of the Company, for the purpose of considering and approving the composite scheme of amalgamation of Velotio Technologies Private Limited and Scaleworx Technologies Private Limited with R Systems International Limited **("R Systems"/ "Company")**.

In furtherance to same, we wish to apprise you that the meeting of the unsecured creditors of the Company in pursuance to the order dated May 22, 2025, read with order dated June 10, 2025, pronounced by the Hon'ble National Company Law Tribunal, New Delhi Bench, is scheduled to be held on **Thursday, July 31, 2025 at 12:00 Noon** through Video Conferencing ("**VC**")/ Other Audio-Visual Means **("OAVM").**

The notice convening the meeting of unsecured creditors, explanatory statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Annexures to the explanatory statement **("Notice")** are enclosed herewith.

The same has been sent on June 27, 2025 via email to the unsecured creditors of the Company as on the cut-off date i.e. March 12, 2025.

The Company has engaged the services of MUFG Intime India Private Limited ("**MIIPL**") to convene meeting and to provide remote e-voting and e-voting facility at the meeting to unsecured creditors. The remote e-voting shall commence on Tuesday, July 01, 2025, at 09:00 A.M. (IST) and shall end on Wednesday, July 30, 2025, at 05:00 P.M. (IST). The remote e-Voting module shall be disabled by MIIPL thereafter.

The results shall be declared on or before Monday, August 04, 2025, and shall be communicated to the Stock Exchanges.

R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number: L74899DL1993PLC053579
Registered Office: GF-1-A, 6, Devika Tower, Nehru Place, New Delhi – 110019, India
Corporate Office: 3rd Floor, Tower No. 1, IT/ITES SEZ of Artha Infratech Pvt. Ltd, Plot No. 21, Sector TechZone-IV, Greater Noida West, Gautam Buddha Nagar, Uttar Pradesh - 201306, India

rsystems.com

Phone: +91-120-4303500 | **Email:** rsil@rsystems.com

A copy of the Notice is also available on the Company's website at https://www.rsystems.com/schemes-of-amalgmation-arrangement-capital-reduction/.

This is for your information and record.

Thank you

Yours faithfully,

For **R Systems International Limited**

BHASKER DUBEY
Digitally signed by BHASKER DUBEY
Date: 2025.06.27 20:56:12 +05'30'

Bhasker Dubey
(Company Secretary & Compliance Officer)

R Systems International Limited

[Corporate Identity Number: L74899DL1993PLC053579]

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

Corporate Office: 3rd Floor, Tower No. 1, IT/ITES SEZ of Artha Infratech Pvt. Ltd,

Plot No. 21, Sector TechZone-IV, Greater Noida West,

Gautam Buddha Nagar, Uttar Pradesh - 201306, India

Tel: +91 120 4303500; Website: www.rsystems.com; Email: rsil@rsystems.com

NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF R SYSTEMS INTERNATIONAL LIMITED PURSUANT TO THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH

MEETING DETAILS:

Day	**Thursday**
Date	**July 31, 2025**
Time	**12:00 Noon**
Venue/Mode	**Video conference (VC) and/ or other audio and visual means (OAVM)**

REMOTE E-VOTING:

Commencing on	**Tuesday, July 01, 2025 at 09:00 A.M.**
Ending on	**Wednesday, July 30, 2025 at 05:00 P.M.**

E-VOTING DURING THE MEETING:

E-voting facility shall also be available to the unsecured creditors of the Company during the meeting.

INDEX

Sl. No.	Contents	Page No.
1.	Notice convening Meeting of unsecured creditors of R Systems International Limited (**the 'Company'** or the **'Amalgamated Company'** or **'R Systems'** or **'RSIL'**) pursuant to order dated May 22, 2025, read with order dated June 10, 2025, pronounced by the Hon'ble National Company Law Tribunal, New Delhi Bench.	**1**
2.	Explanatory Statement under Sections 230 (3), 232 (1), 232 (2) of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013.	**12**
3.	Composite Scheme of Amalgamation of Velotio Technologies Private Limited (**'Amalgamating Company 1'** or **'Velotio'** or **'VTPL'**) and Scaleworx Technologies Private Limited (**'Amalgamating Company 2'** or **'Scaleworx'** or **'STPL'**) with R Systems under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, enclosed as **Annexure 1.**	**44**
4.	Reports adopted by the Board of Directors of the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure 2.**	**140**
5.	Independent valuation report, dated September 10, 2024, issued by KPMG Valuation Services LLP (Registered Valuer Registration No. IBBI/RV-E/06/2018/10501), describing, *inter alia*, the methodologies adopted by them in arriving at the Swap Ratio and setting out the detailed computation of the Swap Ratio for the proposed scheme, including details of registered valuer, and a summary of the valuation methodologies and rationale enclosed as **Annexure 3.**	**159**
6.	Fairness Opinion Report dated September 10, 2024, issued by Corporate Professionals Capital Private Limited, Merchant Banker, stating that the Valuation Report is fair and reasonable, including details of merchant banker enclosed as **Annexure 4.**	**174**
7.	Pre and post-scheme shareholding patterns of the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2, including rationale for changes, if any, occurred between filing of draft Scheme to Notice to Shareholders, enclosed as **Annexure 5.**	**186**

Sl. No.	Contents	Page No.
8.	Observation Letters dated February 28, 2025, issued by BSE Limited ('**BSE**') and National Stock Exchange of India Limited ('**NSE**'), enclosed as **Annexure 6.**	**191**
9.	Complaints report dated October 29, 2024 and November 11, 2024, submitted by the Company to BSE and NSE, respectively, enclosed as **Annexure 7.**	**199**
10.	List of proceedings pending against the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2, their Promoters and Directors, enclosed as **Annexure 8.**	**203**
11.	Audited standalone financial results of the Amalgamated Company for the period and quarter ended March 31, 2025, Audited standalone financial statements of the Amalgamated Company for the year ended December 31, 2024, Audited financial statements of the Amalgamating Company 1 and Amalgamating Company 2 as on March 31, 2025, enclosed as **Annexure 9.**	**206**
12.	Certificates from the Statutory Auditors of the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, enclosed as **Annexure 10.**	**363**
13.	Details of Amalgamating Company 1 in the format specified for abridged prospectus as provided in Part E of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, enclosed as **Annexure 11.**	**373**
14.	Details of Amalgamating Company 2 in the format specified for abridged prospectus as provided in Part E of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, enclosed as **Annexure 12.**	**385**

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH

AT NEW DELHI

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF COMPOSITE SCHEME OF AMALGAMATION BETWEEN
R SYSTEMS INTERNATIONAL LIMITED (AMALGAMATED COMPANY), VELOTIO TECHNOLOGIES PRIVATE LIMITED (AMALGAMATING COMPANY 1) AND SCALEWORX TECHNOLOGIES PRIVATE LIMITED (AMALGAMATING COMPANY 2)

COMPANY SCHEME APPLICATION CAA-34/ND/2025
READ WITH CA-119/2025

R SYSTEMS INTERNATIONAL LIMITED

CIN: L74899DL1993PLC053579

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

…AMALGAMATED COMPANY

WITH

VELOTIO TECHNOLOGIES PRIVATE LIMITED

CIN: U72100DL2016PTC434014

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

…AMALGAMATING COMPANY 1

WITH

SCALEWORX TECHNOLOGIES PRIVATE LIMITED

CIN: U72900DL2020PTC434013

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

…AMALGAMATING COMPANY 2

FORM NO. CAA. 2

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rules 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF R SYSTEMS INTERNATIONAL LIMITED

To,
The Unsecured Creditors,
R Systems International Limited,

1. Notice is hereby given that by an order dated May 22, 2025, read with order dated June 10, 2025, (**'Order'**) the New Delhi Bench of the Hon'ble National Company Law Tribunal (hereinafter referred to as **'NCLT'/ 'Tribunal'**) has directed convening of a meeting of the unsecured creditors of R Systems International Limited (**'Amalgamated Company'/ the 'Company'/ 'R Systems'/ 'RSIL'**) for the purpose of considering, and if thought fit, approving the proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited (**'Amalgamating Company 1'/ 'Velotio'/ 'VTPL'**) and Scaleworx Technologies Private Limited (**'Amalgamating Company 2' /'Scaleworx'/ 'STPL',** together with Amalgamating Company 1 **the 'Amalgamating Companies'**) with the Amalgamated Company, (hereinafter referred to as the **'Scheme'**) under Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 (**the 'Act'**).

2. In pursuance of the said Order and as directed therein, Notice is hereby given that a meeting of the unsecured creditors of the Company will be held on **Thursday, July 31, 2025** at **12:00 Noon** , through Video Conference ('**VC**') and/ or other audio and visual means ('**OAVM**') for the purpose of considering, and if thought fit, approving the proposed Scheme following the operating procedures referred to in the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (**'Scheme Master Circular'**), issued by Securities and Exchange Board of India (**'SEBI'**) read with General Circular No. 09/2024 dated September 19, 2024, General Circular No. 09/2023 dated September 25, 2023, General Circular No. 10/2022 dated December 12, 2022, General Circular No. 02/2022 dated May 5, 2022, General Circular No. 20/2020 dated May 5, 2020, General Circular No., 14/2020 dated April 8, 2020, and General Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, Government of India (**'MCA'**) (collectively referred to as **'MCA Circulars'**) and/ or any other circulars issued by SEBI or MCA from time to time ('**Meeting'**).

3. **TAKE NOTICE** that the following resolution is proposed under Sections 230 to 232 of the Act and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the **'Rules'**), and the National Company Law Tribunal Rules, 2016 framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Company, for the purpose of considering, and if thought fit, approving the Scheme:

"**RESOLVED THAT** pursuant to Sections 230 and 232 of the Companies Act, 2013 (the '**Act**'), Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016 and any other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the circulars and notifications made thereunder as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 and other applicable provisions of the regulations and guidelines issued by the Securities and Exchange Board of India ('**SEBI**') as amended from time to time, Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI and as amended from time to time (**'Scheme Master Circular'**), read with the observation letters dated February 28, 2025 issued by BSE Limited and National Stock Exchange of India Limited and relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company and subject to approval by the Hon'ble National Company Law Tribunal, New Delhi Bench (**'NCLT'**) and other requisite concerns and approvals, if any, being obtained and subject to such terms and conditions and modification(s) as may be imposed, prescribed or suggested by the NCLT or other appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **'Board'**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited (Amalgamating Company 1) and Scaleworx Technologies Private Limited (Amalgamating Company 2) with R Systems International Limited (Amalgamated Company), (**'Scheme'**), be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and/or making such adjustments in the books of accounts, transfer/vesting of such assets and liabilities as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to make modifications, amendments, revisions, edits and all other actions as may be required to finalise the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the NCLT while sanctioning the Scheme, or by any governmental authorities, to do and perform and to authorize the performance of all such acts and deeds which are necessary or advisable for the implementation of the Scheme and upon the sanction of the Scheme by, amongst others, the NCLT and/or SEBI and/or any other regulatory/Government authorities, to implement and to make the Scheme effective, without any further approval of the

Board or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder and/or creditor of the Company, the SEBI, the NCLT, and/or any other authority, are in its view not acceptable to the Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto, to approve and authorize execution of any agreements, deeds, documents, declarations, affidavits, writings, etc (including any alterations or modifications in the documents executed or to be executed), whether or not under the Common Seal of the Company, as may be required from time to time in connection with the Scheme.**"**

4. **TAKE FURTHER NOTICE** that in accordance with the said Order and applicable provisions of the Act read with provisions of the Companies (Management and Administration) Rules, 2014 as amended; and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**'Listing Regulations'**), the Company has engaged the services of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), the Registrar and Share Transfer Agent of the Company ("MUFG Intime"/"RTA" (**'MUFG Intime'/ 'RTA'**) for the purpose of providing facility of remote e-voting prior to the Meeting and e-voting during the Meeting along with conducting Meeting through VC/OAVM. Accordingly, voting by unsecured creditors of the Company shall be carried out through (a) remote e-voting prior to the Meeting, and (b) e-voting during the Meeting through VC/OAVM.

5. **TAKE FURTHER NOTICE** that the unsecured creditors shall have the facility and option of voting through during the meeting and in addition to the same, the unsecured creditors shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes through remote e-voting prior to the meeting during the period commencing from **Tuesday**, **July 01, 2025** at **09:00 A.M.** IST and ending on **Wednesday, July 30, 2025** at **05:00 P.M.** IST. The voting rights of unsecured creditors shall be in proportion to amount of the outstanding value of debt of each of the unsecured creditors as on March 12, 2025, being the cut-off date (**'Cut-off Date'**). The unsecured creditors opting to cast their votes by remote e-voting or e-voting during the Meeting through VC/ OAVM are requested to read the instructions in the Notes of this Notice for further details on remote e-voting and e-voting through VC/ OAVM during the Meeting.

6. **TAKE FURTHER NOTICE** that pursuant to the Order of the NCLT, the Company has exercised the option to convene the Meeting of unsecured creditors through VC/OAVM, and there is no requirement of appointment of proxies as per General Circular No. 14/2020 dated April 8, 2020. Accordingly, the facility of appointment of proxies by unsecured creditors under Section 105 of the Act will not be available for the said Meeting. However, in pursuance of Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, where a body corporate is an unsecured creditor, authorized representatives of the body corporate may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/ OAVM facility and e-voting during the

Meeting provided an authority letter/ power of attorney by the Board of Directors or a certified copy of the resolution passed by its Board of Directors or other governing body of such corporate authorizing such person to attend and vote at the Meeting through VC/ OAVM as its representative, is emailed to the Scrutinizer by email to advankitmonga@gmail.com and to the Company at investors@rsystems.com, not later than 48 (forty eight) hours before the time scheduled for holding the Meeting.

7. A copy of the Scheme, the Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6(3) of the Rules, along with the enclosures as indicated in the Index, are enclosed herewith. In compliance with the Order and the MCA Circulars and Scheme Master Circular, the notice of this Meeting, together with the documents accompanying the same, is being sent through is being sent through e-mail or speed post. A copy of this Notice and the accompanying documents will be hosted on the website of the Company at www.rsystems.com and will also be available on the website of BSE Limited (**'BSE'**) and National Stock Exchange of India Limited (**'NSE'**) at www.bseindia.com and www.nseindia.com, respectively and also on the website of MUFG Intime at www.instavote.linkintime.co.in. A copy of the Scheme along with the Explanatory Statement can be obtained free of charge, between **10:00 A.M.** IST to **04:00 PM**. IST on any day (except Saturday, Sunday and public holidays) up to one day prior to the date of the Meeting from the Registered Office of the Company or by sending a request, by e-mail at investors@rsystems.com.

8. The NCLT has appointed Mr. Sumit Kumar Shukla, as the Chairperson of the said meeting and Mr. Sangeeth Mohan K as the Alternate Chairperson for the said meeting. The NCLT has also appointed Mr. Ankit Monga as the Scrutinizer.

9. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the unsecured creditors only if the Scheme is approved by majority of persons representing three-fourth in value of the unsecured creditors of the Company, voting through remote e-voting and e-voting facility made available during the Meeting through VC/ OAVM.

10. The scrutinizer shall after the conclusion of e-voting at the Meeting, first download the votes cast during the Meeting and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and submit his combined report to the Chairman of the Meeting. The scrutinizer's decision on the validity of the votes shall be final. The results of the votes cast through remote e-voting and e-voting during the Meeting will be announced on or before close of business hours on **Monday, August 04, 2025**. The results, together with the scrutinizer's report, will be displayed at the registered office of the Company.

11. The above-mentioned Scheme, if approved by the unsecured creditors, will be subject to the subsequent approval of the NCLT.

12. A copy of the explanatory statement, under Sections 230-232 and 102 of the Act, read with Rule 6 of the Rules and any other applicable provisions of the Act and the

rules made thereunder, the Scheme and the other enclosures as indicated in the Index are enclosed.

13. Subject to the receipt of requisite number of votes, the Resolution forming part of the Notice of the Meeting shall be deemed to be passed on the date of the Meeting i.e. **Thursday, July 31, 2025**.

Sd/-
Bhasker Dubey
Company Secretary & Compliance Officer
R Systems International Limited

Dated this 18th day of June 2025 at New Delhi

NOTES:

1. Pursuant to the order dated May 22, 2025 in Company Application No. CA.CAA-34/ND/2025, read with order dated June 10, 2025, in CA-119/2025, passed by the Hon'ble National Company Law Tribunal, New Delhi Bench, the meeting of the unsecured creditors of R Systems International Limited is being convened on **Thursday, July 31, 2025** at **12:00 Noon** through VC/ OAVM without the physical presence of the unsecured creditors as per applicable procedure (with requisite modifications as may be required) referred to in MCA Circulars and Scheme Master Circular for the purpose of considering, and if thought fit, approving the scheme, pursuant to the provisions of Sections 230 to 232, and other applicable provisions of the Act. In accordance with the MCA Circulars and Scheme Master Circular, provisions of the Act and the Listing Regulations, the Meeting is being held through VC/OAVM. As per Order and MCA Circulars/Scheme Master Circular, since the meeting is held through VC/OAVM, the deemed venue of the Meeting shall be registered office of the Company.

2. Only unsecured creditors of the Amalgamated Company as at March 12, 2025 (**'Cut-off Date'**) can attend and vote at the Meeting (either in person or by Authorised Representative). Since, the Meeting is being conducted through VC/ OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the unsecured creditors will not be available. Unsecured creditors attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum as per the Order of Hon'ble NCLT.

3. The voting rights of unsecured creditors shall be in proportion to amount of the outstanding value of debt of each of the unsecured creditors as on Cut-off Date.

4. Only those unsecured creditors who will be present at the Meeting through VC/OAVM facility and have not cast their vote by remote e-voting prior to the Meeting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the Meeting. However, the unsecured creditors who have cast their votes by remote e-voting prior to the Meeting will be eligible to participate at the Meeting but shall not be eligible to cast their vote again during the Meeting.

5. Each unsecured creditor can opt for only one mode of voting i.e. (a) remote e-voting prior to Meeting or (b) e-voting through VC/OAVM during the Meeting. Once the vote on a resolution is cast, the unsecured creditor shall not be allowed to change the same subsequently or cast the vote again.

6. The Explanatory Statement pursuant to Sections 230(3), 232(1), 232(2) and Section 102 of the Act and Rule 6 of the Rules, in respect of the business set out in the notice, is annexed hereto.

7. All the documents referred to in the accompanying notice and explanatory statement, shall be available for inspection through electronic mode, basis the request being sent on - investors@rsystems.com. All additional information, if any, submitted by RSIL after filing the Scheme with NSE/BSE from the date of receipt of the Observation Letters dated February 28, 2025 issued by BSE and NSE, is also available on Company's website at www.rsystems.com.

8. Unsecured creditors attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum. As per the Order, the Quorum for the said meeting shall not be less than 75% in value of the unsecured creditors. In case the requisite quorum is not present at the meeting, then the meeting shall stand adjourned for 30 minutes and thereafter the persons present and voting, including authorised representatives, shall be deemed to constitute the quorum.

9. The NCLT has appointed Mr. Sumit Kumar Shukla, as the Chairperson of the said meeting and Mr. Sangeeth Mohan K, as the Alternate Chairperson for the said meeting. The NCLT has also appointed Mr. Ankit Monga, as the Scrutinizer, to scrutinize votes cast electronically through remote e-voting and e-voting through VC/OAVM during the Meeting in a fair and transparent manner. The Scrutinizer shall submit a consolidated report on votes cast to the Chairperson of the Meeting or to the person so authorised by the Chairperson. The scrutinizer's decision on the validity of the votes cast electronically shall be final.

10. The e-voting period commences on **Tuesday, July 1, 2025** at **09:00 A.M.** IST and ends on **Wednesday, July 30, 2025** at **05:00 P.M.** IST. During the remote e-voting period, unsecured creditors of the Company as on **March 12**, **2025** may cast their vote electronically. The remote e-voting module shall be disabled for voting on **Wednesday, July 30, 2025** , 2025 at **05:00 P.M.** IST. The detailed instructions for joining the Meeting through VC/OAVM and process and manner of remote e-voting and e-voting during the meeting are appended to this Notice.

11. The Notice convening the aforesaid meeting, day, date, place and time of the meeting, along with the Explanatory Statement amongst others, will be published through advertisement in the following newspapers, namely, (i) "Business Standard, English (Delhi NCR Edition)" in the English language; and (ii) "Business Standard, Hindi (Delhi NCR Edition)" in the Hindi language.

12. **INSTRUCTION FOR UNSECURED CREDITORS FOR JOINING AND E-VOTING THE MEETING THROUGH VC/OAVM**

Login method for Creditors to attend the General Meeting through InstaMeet:

a) Visit URL: https://instameet.in.mpms.mufg.com & click on **"Login"**.

b) Select the "Company" and 'Event Date' and register with your following details:

A. Demat Account No. or Folio No:

Enter your Folio No. (Reference Number) provided to you on your registered email address.

B. Certificate No.: Enter your Certificate No. provided to you on your registered email address. (*Non-mandatory*)

C. PAN:
Enter your 10-digit Permanent Account Number (PAN)
(Creditors who have not updated their PAN with the Company shall use the sequence number provided to you, if applicable).

D. Mobile No: Enter your Mobile No.

E. Email ID: Enter your email Id as recorded with your DP/ Company.

c) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for Creditors to Speak during the General Meeting through InstaMeet:

a) Creditors who would like to speak during the meeting must register their request with the company.
b) Creditors will get confirmation on first cum first basis depending upon the provision made by the company.
c) Creditors will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
d) Other creditor who has not registered as "Speaker Creditor" may still ask questions to the panellist via active chat-board during the meeting.

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

Instructions for Creditors to Vote during the General Meeting through InstaMeet:

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

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

Note:

Creditors, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Creditors who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

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

Helpdesk:

Creditors facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

13. REMOTE E-VOTING INSTRUCTIONS FOR CREDITORS

Login method for Creditors:

d) Visit URL: https://instavote.linkintime.co.in

Creditors who have not registered for InstaVote facility:

e) Click on **"Sign Up"** under 'SHARE HOLDER' tab and register with your following details:

A. User ID: Enter your Folio No. (Reference Number) provided to you on your registered email address.

B. PAN:
Enter your 10-digit Permanent Account Number (PAN)
(Creditors who have not updated their PAN with the Company shall use the sequence number provided to you, if applicable).

C. DOB/DOI:
Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As updated with your Company - in DD/MM/YYYY format).

D. Bank Account Number:
Enter your Bank Account Number (last four digits), as recorded with your Company / Enter your Folio No. (Reference Number) provided to you on your registered email address.

**Creditors who don't have 'C' and 'D', shall provide their Folio number in 'D' above.*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

1. Click "confirm" (Your password is now generated).
2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID (Reference Number), Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

   After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Helpdesk:

Creditors holding securities in physical mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Sd/-
Bhasker Dubey
Company Secretary & Compliance Officer
R Systems International Limited

Dated this 18th day of June 2025 at New Delhi

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH

AT NEW DELHI

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF COMPOSITE SCHEME OF AMALGAMATION BETWEEN
R SYSTEMS INTERNATIONAL LIMITED (AMALGAMATED COMPANY), VELOTIO TECHNOLOGIES PRIVATE LIMITED (AMALGAMATING COMPANY 1) AND SCALEWORX TECHNOLOGIES PRIVATE LIMITED (AMALGAMATING COMPANY 2)

COMPANY APPLICATION NUMBER: CAA-34/ND/2025
READ WITH CA-119/2025

R SYSTEMS INTERNATIONAL LIMITED

CIN: L74899DL1993PLC053579

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

…AMALGAMATED COMPANY

WITH

VELOTIO TECHNOLOGIES PRIVATE LIMITED

CIN: U72100DL2016PTC434014

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

…AMALGAMATING COMPANY 1

WITH

SCALEWORX TECHNOLOGIES PRIVATE LIMITED

CIN: U72900DL2020PTC434013

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

…AMALGAMATING COMPANY 2

EXPLANATORY STATEMENT UNDER SECTION 102, 230 AND 232 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE CALLING THE MEETING OF UNSECURED CREDITORS OF R SYSTEMS INTERNATIONAL LIMITED PURSUANT TO THE ORDER DATED MAY 22, 2025 READ WITH ORDER DATED JUNE 10, 2025, PRONOUNCED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH

1. Pursuant to the order dated May 22, 2025 read with order dated June 10, 2025 pronounced by the Hon'ble National Company Law Tribunal, New Delhi Bench ('**NCLT'**) in the Company Application referred to hereinabove, meeting of unsecured creditors of the Amalgamated Company is to be held on **Thursday, July 31, 2025** at **12:00 Noon**, through Video Conference ('**VC'**) and/or Other Audio and Visual Means ('**OAVM'**), for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Amalgamation of Velotio Technologies Private Limited ('**Amalgamating Company 1'/ 'Velotio'/ 'VTPL'**) and Scaleworx Technologies Private Limited (**'Amalgamating Company 2'/ 'Scaleworx'/ 'STPL'**, and together with Amalgamating Company 1, **'Amalgamating Companies**') with R Systems International Limited (**'Amalgamated Company'/ 'Company'/ 'R Systems'/ 'RSIL'**).

2. A copy of the Scheme which has been, *inter alia*, approved by the Audit Committee, Committee of Independent Directors and the Board of Directors (**'Board'**) of the Amalgamated Company as well as by the Board of the Amalgamating Companies at their respective meetings held on September 11, 2024 is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

3. The Scheme, *inter alia*, provides for the following:

   (a) as a first step,

      (i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;

      (ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;

      (iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the optionally convertible redeemable preference shares (**'Amalgamating Company 1 OCRPS'**) held by the Existing Shareholders;

      (iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ('**OCRPS**') to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS;

pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company;

(b) as a second step (after the first step is effective),

(i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;

(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act, the provisions of the Scheme Master Circular, and in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, including Sections 2 (1B) thereof.

4. The Amalgamated Company, the Amalgamating Company 1 and the Amalgamating Company 2 have filed the Scheme in Form No. GNL-1 with the Registrar of Companies, New Delhi.

5. **Details as per Rule 6(3) of the Rules**

(i) **Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:** Please refer to paragraph no. 1 of this Explanatory Statement for the date of the Order and the date, time and venue of the Tribunal convened meeting.

(ii) **Details of the Amalgamated Company, R Systems International Limited**

(a) Date of Incorporation: May 14, 1993

(b) Corporate Identification Number (CIN): L74899DL1993PLC053579

(c) Permanent Account Number (PAN): AABCR9541B

(d) Type of Company: Listed public limited company

(e) Registered Office: Devika Tower, GF-1-A, 6, Nehru Place, New Delhi – 110019

(f) Email Address: investors@rsystems.com

(g) Name of the stock exchange(s) where securities of the company are listed: Equity shares of the Company are listed on BSE Limited (**'BSE'**) and National Stock Exchange of India Limited (**'NSE'**).

(h) Summary of the main objects as per the memorandum of association and main business carried on by R Systems:

The objects for which the Amalgamated Company has been established are set out in its Memorandum of Association. The relevant object clauses as set out in Clause III(A) of the Memorandum of Association are as hereunder:

1) "*To carry on the business of sale, purchase, assemble, hire purchase, import, export, stockists, distributors, designers, agents, traders, exchangers and jobbers in all kinds of computers, computer software development, conversion, data entry, software implementation, system study, software documentation and related components, computer systems, computer peripherals, integrated circuits, process controllers, computer printers, transformers, monitors, uninterrupted power supply systems, computer components, computer based systems, to deal in other office automation machines, printers, computer stationery, computer furniture, ribbons, diskettes, magnetic tapes and other related items in India and abroad.*

2) To carry on business of long term and short term maintenance of computer system and associated equipment, replacement and services of computers, computer peripherals, related electrical equipment and items in India and abroad.

3) To carry on the business of running computer bureaus, hiring of computer time and service, data processing, system analysis and design, programming, data storage and computer output microfilmings in India and abroad.

4) To provide consultancy services in India and abroad on selection of computer systems, software, media, peripherals and allied items, computer personnel and on computerisation in general.

5) To hold seminars, courses, training institutions and business conferences for training in computer and office automation, computer programming, system analysis, operational research, computer operations, data entry operations, operations and other computer related activities in India and abroad.

6) To *carry on the business of providing software and hardware personnel to work at customer sites in India and abroad.*

7) To provide consultancy services in India and abroad on preparation of project report, computer systems, software,

media, peripherals and allied items, computer personnel and on computerisation in general

8) *To give on lease the computers hardwares and software to other parties and/or companies and to sell hardwares and softwares to its customers and other parties in India and elsewhere and to act as export house of computer including its softwares and hardwares*

9) *(a)* *To carry on the business of providing and running remote processing services whether information technology enabled or otherwise, including but not limited to establishing and operating interactive call centres, data processing centres, business process outsourcing, remote customer support services, internet and E-commerce support services, including but not limited to hosting and application services.*

(b) *To carry on the business of providing and running services relating to Multimedia networks, Telecommunication networks, cable networks and internet services.*

10) To *carry on the business of providing and supply of end-to-end information technology solutions including turnkey solutions, systems integration and development of software, computer hardware, peripherals, networking and communication components, cabling and power supply equipments, appropriate fixtures, metering and monitoring devices, conventional and broadband wireless, wire line and optical communication equipments.*

11) *To enter into any arrangement by way of turnkey project involving supply of plant and merchandise, technical, civil, financial, administrative, information, knowledge and experience and to undertake the same for clients.*

12) *To carry on the business as business consultants, market research consultants, business transfer agents, valuers and to act as intermediaries in the introduction of sellers, purchasers, partners and employees.*

13) *To carry on the business of Human Resource Development and Management, setting up of education and training institutions, and to provide services for placement of manpower.*

14) *To provide or procure the provision by others of every and any service, need, want or requirement of any business nature required by any person, firm or company in or in connection with any business carried on by them*"

Clause III(B)22 of the Memorandum of Association of the Amalgamated Company which contain provisions for amalgamations and arrangements, are reproduced herein below:

"*22. Subject to the provisions of Sections 391 to 394 of the Companies Act, 1956, to amalgamate or to enter into partnership or any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal with any person or persons of company or companies carrying on or engaged in the main business of the Company.*"

(i) Details of change of name, registered office and objects of R Systems during the last five years:

(A) Change of Name: There has been no change in name for the last five years.

(B) Change of Registered Office: There has been no change in the registered office of the Company for last five years.

(C) Change of objects: There has been no change in objects clause for the last five years

(j) Details of Capital Structure

The authorized, issued, subscribed and paid-up share capital of the Amalgamated Company as on date of this notice is as under:

Authorized Share Capital	**Amount in Rs.**
206,000,000 Equity Shares of Re. 1/- each	206,000,000
Issued, Subscribed and Paid-up Share Capital	**Amount in Rs.**
118,380,289 Equity Shares of Re. 1/- each fully paid up	118,380,289

(k) Names of Promoters and Directors of the Amalgamated Company along with their addresses

(i) The details of the Promoter of the Company are as follows:

Sl. No.	Name of Promoter	Category	Address
1.	BCP Asia II Topco II Pte. Ltd.	Promoter	77, Robinson Road, #13-00, Robinson 77, Singapore - 068896

(ii) The details of the Directors of the Company are as follows:

Sl. No.	Name and DIN of Director	Designation	Address
1.	Ruchica Gupta (DIN: 06912329)	Chairperson, Non-Executive Independent Director	D-55/C, Hauz Khas, New Delhi – 110 034
2.	Nitesh Bansal (DIN: 10170738)	Managing Director and Chief Executive Officer	13252 Parnell Place, Frisco Texas 75035
3.	Mukesh Gulraj Mehta (DIN: 08319159)	Non-Executive Director	Flat No. 2601, 26th Floor, C-Wing, Lodha Bellissimo CHS Ltd., N.M. Joshi Marg, Mumbai - 400011, Maharashtra
4.	Amit Dalmia (DIN: 05313886)	Non-Executive Director	C-1306, Oberoi Splendor, Jogeshwari Vikhroli Link Road, Opp. Majas Depo, Jogeshwari (East) Mumbai-400060
5.	Animesh Agrawal (DIN: 08538625)	Non-Executive Director	A-105, New Minal Residency, JK Road, Bhopal- 462023
6.	Kapil Dhameja (DIN: 02889310)	Non-Executive Independent Director	106 Escape, Nirvana Country, Sector 50, Gurgaon, Haryana-122018
7.	Aditya Wadhwa (DIN: 07556408)	Non-Executive Independent Director	D-1092, New Friends Colony, Delhi-110065

(l) The date of the board meeting of the Amalgamated Company at which the Scheme was approved by the Board including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Board of Directors of R Systems approved the Scheme at its meeting dated September 11, 2024. Details of the manner in which the Directors of R Systems voted at this meeting are as follows:

Sl. No.	Name of Director	Voted in favour/ against/ abstained
1.	Ruchica Gupta	Favor
2.	Nitesh Bansal	Favor
3.	Mukesh Gulraj Mehta	Absent in the meeting
4.	Amit Dalmia	Favor
5.	Animesh Agrawal	Favor
6.	Kapil Dhameja	Favor
7.	Aditya Wadhwa	Favor

(m) None of the Directors, Key Managerial Personnel (**'KMP'**) (as defined under the Act) of R Systems and their respective Relatives (as defined under the Act) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective directorship and shareholding in the Amalgamated Company, Amalgamating Company 1 or Amalgamating Company 2 (as applicable). The effect of the Scheme on the material interests of the Directors and KMP of R Systems and their respective Relatives, is not any different from the effect on other shareholders of R Systems. The composition of the board of directors of the Amalgamated Company may change by appointments, requirements or resignations in accordance with the provisions of the Act, Listing Regulations, Memorandum of Association and Articles of Association of R Systems until the Effective Date. The details of the shareholding of the Directors and KMP of R Systems as on date of Notice are as follows:

Sl. No.	Name	Designation	No. of shares held in R Systems International Limited	No. of shares held in Velotio Technologies Private Limited	No. of shares held in Scaleworx Technologies Private Limited
1.	Ruchica Gupta	Chairperson and Non-Executive Independent Director	Nil	Nil	Nil
2.	Nitesh Bansal	Managing Director, Chief Executive Officer	Nil	Nil	Nil
3.	Mukesh Gulraj Mehta	Non-Executive Director	Nil	Nil	Nil
4.	Amit Dalmia	Non-Executive Director	Nil	Nil	Nil
5.	Animesh Agrawal	Non-Executive Director	Nil	Nil	Nil
6.	Kapil Dhameja	Non-Executive Independent Director	Nil	Nil	Nil
7.	Aditya Wadhwa	Non-Executive Independent Director	Nil	Nil	Nil
8.	Nand Sardana	Chief Financial Officer	200,695 equity shares of Re. 1/- each.	1 equity share of Re. 1/- each (as a nominee of R Systems).	Nil

Sl. No.	Name	Designation	No. of shares held in R Systems International Limited	No. of shares held in Velotio Technologies Private Limited	No. of shares held in Scaleworx Technologies Private Limited
9.	Bhasker Dubey	Company Secretary & Compliance Officer	654 equity shares of Re. 1/- each	Nil	Nil

(n) Amount due to secured and unsecured creditors: As on March 12, 2025, the Amalgamated Company has 1 secured creditor and 66 unsecured creditors and amounts due to such secured and unsecured creditors are INR 24,893,481 and INR 309,818,995, respectively.

(o) Disclosure about effect of the Scheme on the various stakeholders:

Sl. No.	Category of stakeholder	Effect of the scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and KMP of the Amalgamated Company is given in the report adopted by the Board of R Systems pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
2.	Promoters	
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel (KMP)	
5.	Directors	The Scheme will have no effect on the office of the existing Directors of R Systems. The composition of the Board of R Systems may change by appointments, retirements or resignations in accordance with the provisions of the Act, Listing Regulations, Memorandum of

Sl. No.	Category of stakeholder	Effect of the scheme on the stakeholders
		Association and Articles of Association of R Systems.
6.	Depositors	There are no depositors in the Amalgamated Company. Hence, this is not applicable.
7.	Creditors	All the liabilities of Amalgamating Company 1 and Amalgamating Company 2, to the extent outstanding on the Effective Date, shall become the liabilities of the Amalgamated Company, by virtue of the amalgamation, with effect from the Appointed Date upon coming into effect of the Scheme.
8.	Debenture holders	There are no debenture holders in the Amalgamated Company. Hence, this is not applicable.
9.	Deposit trustee and debenture trustee	There is no deposit trustee or debenture trustee in the Amalgamated Company. Hence, this is not applicable.
10.	Employees of the Company	The Scheme will not have any impact on the existing employees of the Amalgamated Company. The Scheme does not in any manner affect the interests of the employees of the Amalgamated Company.

(p) Investigation or proceedings, if any, pending against the Amalgamated Company under the Act: There are no investigations or proceedings pending against the Amalgamated Company under the Act.

(iii) **Details of the Amalgamating Company 1, Velotio Technologies Private Limited**

(a) Date of Incorporation: May 1, 2016

(b) Corporate Identification Number (CIN): U72100DL2016PTC434014

(c) Permanent Account Number (PAN): AAFCV4376A

(d) Type of Company: Private limited company (deemed public company)

(e) Registered Office: Devika Tower, GF-1-A, 6, Nehru Place, New Delhi – 110019

(f) Email Address: nand.sardana@rsystems.com

(g) Name of the stock exchange(s) where securities of the company are listed: NA

(h) Summary of the main objects as per the memorandum of association and main business carried on by Velotio:

The objects for which the Amalgamating Company 1 has been established are set out in its Memorandum of Association. The relevant object clauses as set out in Clause 3(A) of the Memorandum of Association are as hereunder:

"*1. To run the business of computer programming, software development, software product incubation, software prototyping, software solutions and projects, software administration, software consultancy., website development, call centre activity, information technology management, networking, computer hardware including peripherals, e-business, e-commerce activities, Business process Outsourcing (BPO) work and allied software supply, services and administration including training.*"

Clause 3(B) of the Memorandum of Association of the Amalgamating Company 1 which contain provisions for amalgamations and arrangements, are reproduced herein below:

"*7. Subject to the provisions of the Companies Act, 2013 to amalgamate with any other Company having objects altogether or in part similar to those of this Company.*"

(i) Details of change of name, registered office and objects of Velotio during the last five years

(A) Change of Name: There has been no change in name for the last five years.

(B) Change of Registered Office: The registered office of Velotio Technologies Private Limited has been changed from 3rd Floor, AG Trade Centre, Ramanagar Colony, Sr No 7/8, Plot No 18, NDA Road, Bavdhan, Pune, Maharashtra- 411021 to Devika Tower, GF-1-A, 6, Nehru Place, New Delhi – 110019 w.e.f. June 28, 2024.

(C) Change of objects: There has been no change in objects clause for the last five years

(j) Details of Capital Structure

The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 1 as on date of this notice, is as under:

Authorized Share Capital	**Amount in Rs.**
375,000 Equity Shares of Re. 1/- each	375,000
125,000 Optionally Convertible Redeemable Preference Shares of Re. 1/- each	125,000
Total	**500,000**
Issued, Subscribed and Paid-up Share Capital	**Amount in Rs.**
110,813 Equity Shares of Re. 1/- each fully paid up	110,813
123,850 Optionally Convertible Redeemable Preference Shares of Rs. 1/- each	123,850
Total	**234,663**

(k) Names of Promoters and Directors of the Amalgamating Company 1 along with their addresses:

(i) The details of the Promoter of the Company are as follows:

Sr. No.	Name of Promoter	Category	Address
1.	R Systems International Limited	Promoter	Devika Tower, GF-1-A, 6, Nehru Place, New Delhi – 110019

(ii) The details of the Directors of the Company are as follows:

Sr. No.	Name of Director	Designation	Address
1.	Kalpak Rajkumar Shah DIN: (02940976)	CEO, Whole-time Director	A-701, Kumar Peninsula, Baner Pashan Link Road, Pune-411021
2.	Chirag Hemant Jog (DIN: 03026237)	CTO, Whole-time Director	C-504, Karan Celista, Survey No. 8, Balewadi, Pune-411021
3.	Nitesh Bansal (DIN: 10170738)	Non-Executive Director	13252 Parnell Place, Frisco Texas 75035
4.	Avirag Jain (DIN: 00004801)	Non-Executive Director	B – 27, Sector 53, NOIDA U.P. 201301
5.	Ruchica Gupta (DIN: 06912329)	Non-Executive Independent Director	D55/C Hauz Khas New Delhi-110016
6.	Kapil Dhameja (DIN: 02889310)	Non-Executive Independent Director	106 Escape, Nirvana Country, Sector 50, Gurgaon- 122018, Haryana

Sr. No.	Name of Director	Designation	Address
7.	Nand Sardana (DIN: 09592752)	Non-Executive Director	A-127, Kalkaji, Delhi – 110019

(l) The date of the board meeting of the Amalgamating Company 1 at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Board of Directors of Velotio approved the Scheme at its meeting dated September 11, 2024. Details of the manner in which the Directors of Velotio voted at this meeting are as follows:

Sl. No.	Name of Director	Voted in favour/ against/ abstained
1.	Kalpak Rajkumar Shah	Absent in the meeting
2.	Chirag Hemant Jog	Absent in the meeting
3.	Nitesh Bansal	Absent in the meeting
4.	Avirag Jain	Favour
5.	Ruchica Gupta	Favour
6.	Kapil Dhameja	Favour
7.	Nand Lal Sardana	Favour

(m) None of the Directors, KMP (as defined under the Act) of Velotio and their respective Relatives (as defined under the Act) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective directorship or shareholding in the Amalgamated Company, Amalgamating Company 1 or Amalgamating Company 2 (as applicable). The effect of the Scheme on the material interests of the Directors and KMP of Velotio and their respective Relatives, is not any different from the effect on other shareholders of Velotio. The composition of the board of directors of Velotio may change by appointments, requirements or resignations in accordance with the provisions of the Act, Listing Regulations, Memorandum of Association and Articles of Association of Velotio until the effective date. The details of the shareholding of the Directors and KMP of Velotio as on date of Notice is as follows:

Sl. No.	Name	Designation	No. of shares held in R Systems International Limited	No. of shares held in Velotio Technologies Private Limited	No. of shares held in Scaleworx Technologies Private Limited
1.	Kalpak Rajkumar Shah	CEO, Whole-time Director	Nil	55,881 Amalgamating Company 1 OCRPS of Re. 1/- each.	Nil
2.	Chirag Hemant Jog	CTO, Whole-time Director	Nil	55,881 Amalgamating Company 1 OCRPS of Re. 1/- each.	1 equity share of Re. 1/- each (as a nominee of Velotio)
3.	Nitesh Bansal	Non-Executive Director	Nil	Nil	Nil
4.	Avirag Jain	Non-Executive Director	5,005 equity shares of Re. 1/- each.	Nil	Nil
5.	Ruchica Gupta	Non-Executive Independent Director	Nil	Nil	Nil
6.	Kapil Dhameja	Non-Executive Independent Director	Nil	Nil	Nil

Sl. No.	Name	Designation	No. of shares held in R Systems International Limited	No. of shares held in Velotio Technologies Private Limited	No. of shares held in Scaleworx Technologies Private Limited
7.	Nand Sardana	Non-Executive Director	200,695 equity shares of Re. 1/- each.	1 equity share of Re. 1/- each (as a nominee of R Systems).	Nil

(n) Amount due to secured and unsecured creditors: As on March 12, 2025, the Amalgamating Company 1 has no secured creditors and 6 unsecured creditors and amount due to such unsecured creditors is INR 1,959,645.

(o) Disclosure about effect of the Scheme on the various stakeholders:

Sl. No.	Category of stakeholder	Effect of the scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and KMP of the Amalgamating Company 1 is given in the report adopted by the Board of Directors of Velotio pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
2.	Promoters	
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel (KMP)	
5.	Directors	The directors of the Amalgamating Company 1 shall cease to hold office upon the dissolution of Amalgamating Company 1, which shall occur pursuant to this Scheme without the process of winding up.
6.	Depositors	There are no depositors in the Amalgamating Company 1. Hence, this is not applicable.
7.	Creditors	All the liabilities of Amalgamating Company 1 to the extent outstanding

Sl. No.	Category of stakeholder	Effect of the scheme on the stakeholders
		on the Effective Date, shall become the liabilities of the Amalgamated Company, by virtue of the amalgamation, with effect from the Appointed Date upon coming into effect of the Scheme.
8.	Debenture holders	There are no debenture holders in the Amalgamating Company 1. Hence, this is not applicable.
9.	Deposit trustee and debenture trustee	There is no deposit trustee or debenture trustee in the Amalgamating Company 1. Hence, this is not applicable.
10.	Employees of the Company	The Scheme will not have any impact on the existing employees of the Amalgamating Company 1. The Scheme does not in any manner affect the interests of the employees of the Amalgamating Company 1. As per Clause 4.10 of the Scheme, employees of the Amalgamating Company 1 shall become the employees of the Amalgamated Company by virtue of this Scheme, without any interruption in service and with the benefit of continuity of service, on terms and conditions on the whole no less favourable than those on which they are engaged by the Amalgamating Company 1.

(p) Investigation or proceedings, if any, pending against the Amalgamating Company 1 under the Act: There are no investigations or proceedings instituted or pending against the Amalgamating Company 1 under the Act.

(iv) **Details of the Amalgamating Company 2: Scaleworx Technologies Private Limited**

(a) Date of Incorporation: November 7, 2020

(b) Corporate Identification Number (CIN): U72900DL2020PTC434013

(c) Permanent Account Number (PAN): ABECS8524R

(d) Type of Company: Private limited company (deemed public company)

(e) Registered Office: Devika Tower, GF-1-A, 6, Nehru Place, New Delhi – 110019

(f) Email Address: nand.sardana@rsystems.com

(g) Name of the stock exchange(s) where securities of the company are listed: NA.

(h) Summary of the main objects as per the memorandum of association and main business carried on by Scaleworx:

The objects for which the Amalgamating Company 2 has been established are set out in its Memorandum of Association. The relevant object clauses as set out in Clause 3(A) of the Memorandum of Association are as hereunder:

"*To provide information technology (IT) services like Computer programming, software development, Software Product incubation, software prototyping, software solutions, software consultancy, website development, IT Management, Networking, IT Services, e-commerce activities, BPO, Trainings, technical processes, for all organization in India and/or outside and to develop, provide, undertake, design, import, export, distribute and deal in internet security devices, systems and application software for microprocessor based information systems, off-shore software development projects, internet service provider, and solutions in all areas of applications and either for its own use for sale in India or for export outside India and to design and develop such systems and application software for and on behalf of manufacturers owners and users of computer, telecom, digital, electronic equipments in India or abroad.*"

Clause 3(b)(35) of the Memorandum of Association of the Amalgamating Company 2 which contain provisions for amalgamations and arrangements, are reproduced herein below:

"*35. To enter into joint venture, partnership, or any other arrangement for joint working in business, sharing profits or for co-operation or for mutual assistance or form, promote, subsidize and assist companies and partnerships of all kinds with any person, firm or company or to acquire or carry on any other business auxiliary to the business of the Group Company or connect therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property or to amalgamate with any person, firm or*

company carrying on or about to carry on any business or transaction included in the objects of the Company or any other similar business, in India or abroad."

(i) Details of change of name, registered office and objects of Scaleworx during the last five years

(A) Change of Name: There has been no change in name for the last five years.

(B) Change of Registered Office: The registered office of Scaleworx Technologies Private Limited has been changed from 3rd Floor, AG Trade Centre, Ramanagar Colony, Sr No, 7/8, Plot No 18, NDA Road, Bavdhan, Pune City, Pune, Maharashtra- 411021 to Devika Tower, GF-1-A, 6, Nehru Place, New Delhi – 110019 on June 28, 2024.

(C) Change of objects: There has been no change in objects clause for the last five years.

(j) Details of Capital Structure

The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 2 as on date of this Notice, is as under:

Authorized Share Capital	**Amount in Rs.**
50,000 Equity Shares of Rs. 10/- each	500,000
Issued, Subscribed and Paid-up Share Capital	**Amount in Rs.**
14,666 Equity Shares of Rs. 10/- each fully paid up	146,660

(k) Names of Promoters and Directors of the Amalgamating Company 2 along with their addresses:

(i) The details of the Promoter of the Company are as follows:

Sr. No.	Name of Promoter	Category	Address
1.	Velotio Technologies Private Limited	Promoter	Devika Tower, GF-1-A, 6, Nehru Place, New Delhi - 110019

(ii) The details of the Directors of the Company are as follows:

Sr. No.	Name of Director	Designation	Address
1.	Avirag Jain (DIN: 00004801)	Non-Executive Director	B – 27, Sector 53, NOIDA U.P. 201301
2.	Nand Sardana (DIN: 09592752)	Non-Executive Director	A-127, Kalkaji, Delhi – 110019
3.	Chirag Hemant Jog (DIN: 03026237)	Non-Executive Director	C-504, Karan Celista, Survey No. 8, Balewadi, Pune-411021

(l) The date of the board meeting of the Amalgamated Company at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Board of Directors of Scaleworx approved the Scheme at its meeting dated September 11, 2024. Details of the manner in which the Directors of Scaleworx voted at this meeting are as follows:

Sl. No.	Name of Director	Voted in favour/ against/ abstained
1.	Avirag Jain	Favour
2.	Nand Lal Sardana	Favour
3.	Chirag Hemant Jog	Absent in the meeting

(m) None of the Directors, KMP (as defined under the Act) of Scaleworx and their respective Relatives (as defined under the Act) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Amalgamated Company, Amalgamating Company 1 or Amalgamating Company 2 (as applicable). The effect of the Scheme on the material interests of the Directors and KMP of Scaleworx and their respective Relatives, is not any different from the effect on other shareholders of Scaleworx. The composition of the board of directors of Scaleworx may change by appointments, requirements or resignations in

accordance with the provisions of the Act, Listing Regulations, Memorandum of Association and Articles of Association of Scaleworx until the effective date. The details of the shareholding of the Directors and KMP of Scaleworx as on date of Notice is as follows:

Sl. No.	Name	Designation	No. of shares held in R Systems International Limited	No. of shares held in Velotio Technologies Private Limited	No. of shares held in Scaleworx Technologies Private Limited
1.	Avirag Jain	Director	5,005 equity shares of Re. 1/- each.	Nil	Nil
2.	Nand Lal Sardana	Director	200,695 equity shares of Re. 1/- each.	1 equity share of Re. 1/- each (as a nominee of R Systems).	Nil
3.	Chirag Hemant Jog	Director	Nil	55,881 Amalgamating Company 1 OCRPS of Re. 1/- each	1 equity share of Re. 1/- each (as a nominee of Velotio).

(n) Amount due to secured and unsecured creditors: As on March 12, 2025, the Amalgamating Company 2 has no secured creditors and no unsecured creditors and hence, the amount due to such secured and unsecured creditors is Nil.

(o) Disclosure about effect of the Scheme on the various stakeholders:

Sl. No.	Category of stakeholder	Effect of the scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and KMP of the
2.	Promoters	

Sl. No.	Category of stakeholder	Effect of the scheme on the stakeholders
3.	Non-Promoter Shareholders	Amalgamating Company 2 is given in the report adopted by the Board of Directors of Scaleworx pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
4.	Key Managerial Personnel (KMP)	
5.	Directors	The directors of the Amalgamating Company 2 shall cease to be directors of the Amalgamating Company 2 by virtue of this Scheme.
6.	Depositors	There are no depositors in the Amalgamating Company 2. Hence this is not applicable.
7.	Creditors	All the liabilities of Amalgamating Company 2, to the extent outstanding on the Effective Date, shall become the liabilities of the Amalgamated Company, by virtue of the amalgamation, with effect from the Appointed Date upon coming into effect of the Scheme.
8.	Debenture holders	There are no debenture holders in the Amalgamating Company 2. Hence this is not applicable.
9.	Deposit trustee and debenture trustee	There is no deposit trustee or debenture trustee in the Amalgamating Company 2. Hence this is not applicable.
10.	Employees of the Company	The Scheme will not have any impact on the existing employees of the Amalgamating Company 2. The Scheme does not in any manner affect the interests of the employees of the Amalgamating Company 2. As per Clause 10.10 of the Scheme, employees of the Amalgamating Company 2 shall become the employees of the Amalgamated Company by virtue of this Scheme, without any interruption in service and with the benefit of continuity of service, on terms and conditions on the whole no less favourable than those on which they are

Sl. No.	Category of stakeholder	Effect of the scheme on the stakeholders
		engaged by the Amalgamating Company 2.

(p) Investigation or proceedings, if any, pending against the Amalgamating Company 2 under the Act: There are no investigations or proceedings instituted or pending against the Amalgamating Company 2 under the Act.

(v) **Other details regarding the Scheme required as per Rule 6(3) of the Rules**

Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

(a) Relationship between the Companies: Amalgamating Company 2 is a wholly owned subsidiary of Amalgamating Company 1, and Amalgamating Company 1 is a subsidiary of Amalgamated Company. As on the date of approval of scheme by the Board of Directors of Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2, the Amalgamated Company holds 100% equity shareholding in Amalgamating Company 1, and Amalgamating Company 1 holds 100% equity shareholding in Amalgamating Company 2.

(b) "**Appointed Date**" means open of business on April 01, 2024, or such other date as the Tribunal may direct/ allow.

(c) "**Effective Date**" means the date on which the certified copies of the order of the Tribunal approving this Scheme have been filed with the RoC. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

(d) "**Record Date**" means a mutually agreed date fixed by the Board of the Amalgamated Company for the purpose of determining the Existing Shareholders of Amalgamating Company 1 to whom the OCRPS shall be allotted pursuant to this Scheme becoming effective.

(e) Consideration for the Amalgamation: Upon the Scheme coming into effect and in consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act, deed, consent or instrument, issue and allot in accordance with the ratio set out below (**"Swap Ratio"**), the OCRPS to the Existing Shareholders of the Amalgamating Company 1 who were holding

Amalgamating Company 1 OCRPS and whose name is recorded in the register of members and/ or records of the depository on the Record Date. The terms of the OCRPS issued and allotted are set out in Annexure 1 of the Scheme. The OCRPS shall not be listed or admitted to trading on any stock exchange.

"Swap Ratio" shall be Four Thousand One Hundred and Sixty Seven (4,167) OCRPS of Amalgamated Company of INR 1/- each fully paid for every One Hundred (100 Only) Amalgamating Company 1 OCRPS of INR 1/- each fully paid up.

Upon effectiveness of Part II of the Scheme, the Amalgamating Company 2 will become a wholly owned Subsidiary of Amalgamated Company without any further act, instrument or deed. Since it will be a wholly owned subsidiary of the Amalgamated Company, there will be no issue of shares or discharge of any consideration pursuant to the amalgamation of Amalgamating Company 2 with Amalgamated Company.

(f) Rationale and benefits of the Scheme as perceived by the Board of Directors of the Company:

(A) Need for the merger: Considering the commonality of the business verticals, it is imperative to simplify the holding structure by consolidating the three entities into a single entity in order to reap benefits of improved operational and management efficiency, streamlining of business operations and the decision-making process, and greater economies of scale. The amalgamation of the entities into one listed entity will also ensure higher stakeholder accountability.

(B) Rationale of the Scheme:

Amalgamating Company 2 is a wholly owned Subsidiary of Amalgamating Company 1, and Amalgamating Company 1 is a Subsidiary of the Amalgamated Company. The Scheme would enable integration of the business activities of the Companies under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, *inter alia*, have the following benefits:

(a) Greater operational and management efficiencies;

(b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities through enhanced geographical reach which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;

(c) Streamlining of business operations and decision-making process and greater economies of scale and enhanced geographical reach, resulting in optimal and efficient utilization of capital;

(d) Dedicated and specialized management focus on the specific needs of business vertical;

(e) Unified approach on customer engagement delivering greater brand value;

(f) Unification and streamlining of management of legal and regulatory compliances;

(g) Greater economic value for the shareholders of the Amalgamated Company; and

(h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

The Scheme is in the interest of Amalgamating Company 2, the Amalgamating Company 1, the Amalgamated Company and their respective stakeholders.

(C) Synergies of business of the entities involved in the Scheme:

(i) Velotio is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services. Scaleworx is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services. R Systems is engaged in the business of digital product engineering, designing and developing chip-to-cloud software products, platforms, and digital experiences.

(ii) Velotio and Scaleworx are involved in a similar line of business with R Systems, the amalgamation would be synergistic to the business of R Systems. Upon the Scheme coming into effect, the synergistic benefits arising from amalgamation would result in even more

effective business strategy and result in greater efficiency, integration of technologies, capabilities and cost effectiveness in functioning and operation of R Systems. Further, execution of this Scheme would result in shareholders' participation in, and them deriving benefits from, the growth and prospects of the combined business operations. The synergies created by the amalgamation would increase operational efficiency and integrate business functions, which will ultimately create a consolidated base for future growth of R Systems.

(iii) The employees of Velotio and Scaleworx will be provided better opportunities to scale up their performance with a large corporate entity having large revenue base, resources, asset base and global presence, which will boost employee morale and improve corporate performance, ultimately enhancing shareholders' value.

(D) Cost benefit analysis of the scheme: Certain transaction costs will be incurred in the implementation of the Scheme including administrative, statutory levy(ies), fees payable to financial/ legal advisors etc., the benefits as stated in the above paragraphs are expected to outweigh the costs towards implementation of the Scheme.

(E) Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties: Potential Benefits are mentioned in the above paragraphs explaining rational and synergies of merger.

There are no major risks associated with the proposed merger as R Systems is already in the IT &ITES business since long time. It has the expertise to conduct the business operations smoothly.

(g) Summary of the Valuation Report and Fairness Opinion Report:

For the purposes of the Scheme, a report in relation to the Swap Ratio ("**Valuation Report**") was issued by KPMG Valuation Services LLP (Registered Valuer Registration No. IBBI/RV-E/06/2020/115) describing, inter-alia, the methodologies adopted by them in arriving at the Swap Ratio and setting out the detailed computation of the Swap Ratio for the proposed Scheme. The Valuation Report has been enclosed as **Annexure 3**.

The Valuation Report has been prepared on the basis of "**Fair Value**" as at Valuation Date (June 30, 2024). The report has adopted "**Going Concern Value**" as the premise of value, and the valuation

has been carried out in accordance with the ICAI Valuation Standards/ International Valuation Standards as applicable. The registered valuer has used the Income Approach – Discounted Cash Flow Method, Asset Approach – Net Asset Value Method, and the Market Approach – Market Price Method & Comparable Companies Multiples Method to derive the Swap Ratio.

In the Valuation Report, the valuer has understood that the Scheme contemplates amalgamation of Velotio into R Systems and the consequent cancellation of the equity shares of Velotio held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS held by the Existing Shareholders, and issuance of OCRPS by the Amalgamated Company to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS. The Valuation Report recommends the following Swap Ratio: Four Thousand One Hundred and Sixty Seven (4,167) OCRPS of Amalgamated Company of INR 1/- each fully paid for every One Hundred (100 Only) Amalgamating Company 1 OCRPS of INR 1/- each fully paid up.

In compliance with Para 9 (b) of Part I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, a Fairness Opinion Report dated September 10, 2024 issued by Corporate Professional Capital Private Limited, a Category-1 Merchant Banker, New Delhi is enclosed as **Annexure 4**. The Fairness Opinion Report states that the Merchant Banker has reviewed the Valuation Report with respect to its Swap Ratio aspects and considers it to be fair and reasonable.

The recommendation of the Swap Ratio has been approved by the Audit Committee of the Amalgamated Company and Board of Directors of the Amalgamated Company and Amalgamating Companies.

The Valuation Report and Fairness Opinion Report are enclosed herewith as **Annexure 3** and **Annexure 4**, respectively and also available for inspection on the website of the Company at www.rsystems.com.

(h) Details of capital restructuring:

Upon the Scheme becoming effective, the authorized share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company such that upon the effectiveness of the Scheme, the authorized share capital of the Amalgamated Company shall be INR 20,70,00,000 (Rupees Twenty Crore and Seventy Lakh only) comprising of 20,18,00,000 (Twenty Crore Eighteen Lakh only) equity shares of INR 1/- (Rupee One) each and 52,00,000 (Fifty Two Lakh only) preference shares of INR 1/- (Rupee One) each, without any further act, deed, resolution, instrument or writing.

As a consequence of the increase in and/or reclassification of the authorized share capital of the Amalgamated Company, the memorandum of association of the Amalgamated Company shall, upon the coming into effect of this Scheme and without any further act, deed, instrument, resolution or writing be altered and modified to take into account the effect of such change as follows:

MEMORANDUM OF ASSOCIATION

"V. The Authorised Share Capital of the Company is INR 20,70,00,000 (Rupees Twenty Crore and Seventy Lakh only) divided into:

(a) 20,18,00,000 (Twenty Crore Eighteen Lakh only) equity shares of INR 1/- (Rupee One) each; and

(b) 52,00,000 (Fifty Two lakh) preference shares of INR 1/- (Rupee one) each"

Without prejudice to the generality of the Scheme, during the period between the date of approval of the Scheme by the respective Boards and up to and Effective Date, pursuant to the Scheme, the Amalgamated Company may make changes in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares) or decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner, provided that such change in the capital structure of the Amalgamated Company does not affect the Swap Ratio or, if such change can affect the Swap Ratio, the Swap Ratio is adjusted pursuant to and in accordance with Clause 7.5 of the Scheme.

(i) Detail of debt restructuring:

The Scheme does not contemplate any scheme of debt restructuring in respect of the Amalgamated Company, Amalgamating Company 1 or Amalgamating Company 2.

(j) The pre-Scheme and post-Scheme shareholding patterns of the Amalgamated Company and the Amalgamating Companies, as applicable, are attached as **Annexure 5**.

(k) Details of availability of the documents for obtaining extracts from or making or obtaining copies:

Inspection of the following documents may be taken at the Registered Office of the Amalgamated Company on any working day (except Saturday, Sunday and Public Holidays) prior to the date of the meeting between 10:00 A.M. IST to 04:00 PM IST. An advance notice should be given by e-mail to the Company at investors@rsystems.com, if it is desired to obtain copies of the

documents from the Registered Office of the Company. Alternatively, a request for obtaining an electronic/ soft copy of the documents may be made by writing an email to investors@rsystems.com.

(a) Orders pronounced on May 22, 2025 and June 10, 2025, by the Hon'ble Tribunal in Company Application No. CA.CAA-34/ND/2025 and CA-119/2025, directing the convening of the meetings of equity shareholders and unsecured creditors of the Amalgamated Company and unsecured creditors of Amalgamating Company 1;

(b) Copy of the Scheme;

(c) Independent valuation report, dated September 10, 2024, issued by KPMG Valuation Services LLP (Registered Valuer Registration No. IBBI/RV-E/06/2018/10501);

(d) Fairness Opinion dated September 10, 2024, issued by Corporate Professionals Capital Private Limited, Merchant Banker, Mumbai;

(e) The certificates issued by Deloitte Haskins & Sells LLP, the statutory auditors of the Amalgamated Company and Amalgamating Company 1 on September 11, 2024, and Baheti & Somani LLP, the statutory auditors of Amalgamating Company 2 on September 11, 2024, to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;

(f) Contracts or agreements material to the scheme: The Shareholders Agreement executed on August 13, 2024 *inter alia* between Amalgamating Company 1 and Amalgamated Company; The Shareholders Agreement executed on April 1, 2025 *inter alia* between Amalgamated Company and BCP Asia II Topco II Pte. Ltd.;

(g) Copies of the latest audited financial statements of the Amalgamating Company 1 and Amalgamating Company 2 as of March 31, 2025, latest audited financial results of the Amalgamated Company as of March 31, 2025 and latest audited financial statements of the Amalgamated Company as of December 31, 2024 including consolidated financial statements/ results, wherever applicable;

(h) Copy of the Audit Committee Report dated September 11, 2024 of the Company;

(i) Certified true copy of the resolution passed by the Board of Directors of the Amalgamated Company, Amalgamating

Company 1 and Amalgamating Company 2, on September 11, 2024, approving the Scheme;

(j) Observation letters issued by BSE and NSE to the Amalgamated Company, each dated February 28, 2025; and

(k) Copy of the report adopted by the Board of Directors of Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 as per the provisions of Section 232(2) (c) of the Act

(l) Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending for the purpose of the Scheme:

(i) In terms of Regulation 37 of the Listing Regulations, BSE and NSE, by their respective letters, both dated February 28, 2025, have issued their observations on the Scheme to the Company conveying their no adverse observations/no objection to the Scheme. Copy of the observation letters dated February 28, 2025 as received from BSE and NSE are enclosed as **Annexure 6**.

(ii) As required by the SEBI Scheme Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, the Company has filed its Complaints report dated October 29, 2024 and November 11, 2024 with BSE and NSE, respectively. Copies of the complaint reports filed by the Company are enclosed as **Annexure 7**. The same is also available on the website of the Company.

(iii) The Scheme was filed by the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2 with the New Delhi Bench of the NCLT on September 11, 2024. The Hon'ble NCLT, New Delhi Bench has passed directions to convene Meetings(s) of equity shareholders and unsecured creditors of the Company vide order dated May 22, 2025, read with order dated June 10, 2025. The Scheme is subject to approval by the requisite majority of the shareholders and unsecured creditors of the Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2, in terms of the applicable provisions of the Act and the Rules. Since, Velotio and Scaleworx do not have any secured creditors, and consent affidavit has been secured from the sole secured creditor of R Systems, no approval is required to be sought from the secured creditors. The Hon'ble NCLT, New Delhi Bench has passed directions to convene Meetings(s) of Equity Shareholders and unsecured creditors of the Amalgamated Company, and unsecured creditors of the Amalgamating Company 1 vide the Order dated May 22, 2025, read with order dated June 10, 2025.

(iv) The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme, including under Clause 22 of the Scheme.

(m) "**Undertaking**" means all the undertakings and entire business of a company (whether in India or outside India), as a going concern, and shall include (without limitation):

(a) all assets of the company (along with Encumbrances thereon);

(b) all liabilities of the company;

(c) all Permits of the company;

(d) all Privileges of the company;

(e) all Commercial Arrangements and Documents to which the company is a party or to the benefit of which the company may be eligible;

(f) all Intellectual Property of the company;

(g) all Proceedings of the company; and

(h) the employees, trainees and interns of the company as on the Effective Date (along with Employment Funds of the company).

The features set out above being only the salient features of the Scheme, which are subject to details set out in the Scheme, the unsecured creditors are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.

This statement may be treated as an Explanatory Statement under Section 230(3), 232(1), 232(2) and 102 of the Act and the statement for the purposes of Rule 6(3) of the Rules.

Sd/-
Bhasker Dubey
Company Secretary & Compliance Officer
R Systems International Limited

Dated this 18th day of June 2025 at New Delhi

Registered Office:
R Systems International Limited,
Devika Tower, GF-1-A, 6,
Nehru Place, New Delhi – 110019

COMPOSITE SCHEME OF AMALGAMATION

OF

VELOTIO TECHNOLOGIES PRIVATE LIMITED

AND

SCALEWORX TECHNOLOGIES PRIVATE LIMITED

WITH

R SYSTEMS INTERNATIONAL LIMITED

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

(A) PREAMBLE

1. R Systems International Limited ("**Amalgamated Company**") is the Holding Company (*defined hereinafter*) of Velotio Technologies Private Limited ("**Amalgamating Company 1**") and holds 100% (hundred per cent) of the equity shares of the Amalgamating Company 1. The Existing Shareholders (*defined hereinafter*) hold 100% (one hundred per cent) of the optionally convertible redeemable preference shares of the Amalgamating Company 1 ("**Amalgamating Company 1 OCRPS**"). The Amalgamating Company 1 holds 100% (hundred per cent) of the equity shares of Scaleworx Technologies Private Limited ("**Amalgamating Company 2**", and together with Amalgamating Company 1, "**Amalgamating Companies**").

2. This Scheme (*defined hereinafter*) of amalgamation provides for *inter alia*:

   (a) as a first step,

      (i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;

      (ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;

      (iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS held by the Existing Shareholders;

      (iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("**OCRPS**") to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS;

   pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company;

   (b) as a second step (after the first step is effective),

      (i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;

R SYSTEMS INTERNATIONAL LTD.

(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act (*as defined hereinafter*), in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act (*as defined hereinafter*), including Sections 2(1B) thereof.

3. The Scheme shall be made effective from the Appointed Date (*as defined hereinafter*) and shall be operative from the Effective Date (*as defined hereinafter*) in the manner further provided in Clause 27 of Part IV hereinbelow.

(B) DESCRIPTION OF COMPANIES

1. Amalgamating Company 1 is a private limited company incorporated under the Act, having registration number U72100DL2016PTC434014, having permanent account number AAFCV4376A and having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi - 110019, India. The Amalgamating Company 1 is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services.

2. Amalgamating Company 2 is a private limited company incorporated under the Act, having registration number U72900DL2020PTC434013, having permanent account number ABECS8524R and having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi - 110019, India. Amalgamating Company 2 is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services.

3. The Amalgamated Company is a public limited company incorporated under the Companies Act, 1956, having registration number L74899DL1993PLC053579, having permanent account number AABCR9541B and having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi - 110019, India. The Amalgamated Company is engaged in the business of digital product engineering, designing and developing chip-to-cloud software products, platforms, and digital experiences. The equity shares of the Amalgamated Company are listed on the Stock Exchanges (*as defined hereinafter*).

(C) RATIONALE FOR THE SCHEME

1. Amalgamating Company 2 is a wholly owned Subsidiary (*defined hereinafter*) of Amalgamating Company 1, and Amalgamating Company 1 is a Subsidiary of the Amalgamated Company. The Scheme would enable integration of the business activities of the Companies (*as defined hereinafter*) under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, *inter alia*, have the following benefits:

(a) Greater operational and management efficiencies;

(b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities through enhanced geographical reach which will help in gaining market share, optimization of capital, operational (including promotion)

INTERNATIONAL LTD. SYSTEMS

expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;

(c) Streamlining of business operations and decision-making process and greater economies of scale and enhanced geographical reach, resulting in optimal and efficient utilization of capital;

(d) Dedicated and specialized management focus on the specific needs of business vertical;

(e) Unified approach on customer engagement delivering greater brand value;

(f) Unification and streamlining of management of legal and regulatory compliances;

(g) Greater economic value for the shareholders of the Amalgamated Company; and

(h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

2. The Scheme is in the interest of Amalgamating Company 2, the Amalgamating Company 1, the Amalgamated Company and their respective stakeholders.

3. Additionally, in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the Tribunal and the Appropriate Authorities, it is considered desirable and expedient to implement this Scheme as a composite scheme.

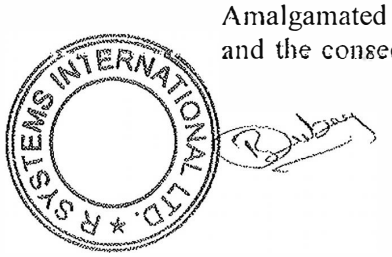
4. The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) (*as applicable*) read with other applicable provisions of the Income Tax Act. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provision of Section 2(1B) (*as applicable*) of the Income Tax Act, including as a result of an amendment of Law or enactment of new legislation or any other reason whatsoever, the provision of Section 2(1B) (*as applicable*) of the Income Tax Act, or corresponding provisions of any amended or newly enacted Law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) (*as applicable*) of the Income Tax Act or such newly enacted Law or new legislation. Such modifications will, however, not affect the other provisions of the Scheme.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions of capitalized terms used in this Scheme, the details of the share capital of the Companies and date of taking effect and implementation of this Scheme;

2. **PART II** deals with the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, dissolution of the Amalgamating Company 1 without winding up and the consequent issuance of OCRPS by the Amalgamated Company to the Existing



Shareholders in accordance with the terms set out in Annexure 1 (*Terms of OCRPS*) to the Scheme, and other related matters;

3. **PART III** deals with (upon the effectiveness of Part II) amalgamation of Amalgamating Company 2 into the Amalgamated Company and the dissolution of Amalgamating Company 2 without winding up, and other related matters; and

4. **PART IV** deals with the general terms and conditions.



PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this Scheme, unless repugnant to the meaning or context thereof, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions, wherever used (including in the Preamble), shall have the meanings ascribed hereunder:

"**Act**" means the Companies Act, 2013, and any rules, regulations, notification and guidelines issued thereunder along with any subsequent modifications, amendments and re-enactment thereto, from time to time;

"**Amalgamated Company**" shall have the meaning ascribed to it in the Preamble;

"**Amalgamating Company 1**" shall have the meaning ascribed to it in the Preamble;

"**Amalgamating Company 2**" shall have the meaning ascribed to it in the Preamble;

"**Amalgamating Companies**" shall have the meaning ascribed to it in the Preamble;

"**Amalgamating Company 1 OCRPS**" shall have the meaning ascribed to it in the Preamble;

"**Applicable Law**" or "**Law**" means all applicable national, supranational, provincial, local statutes, enactments, laws, acts of legislature, ordinances, bye-laws, rules, regulations, notifications, binding guidelines, binding policies, binding directions, binding directives, approvals of Appropriate Authority, judgments, decrees, injunctions, writs or orders of any judicial or quasi-judicial authority, statutory and regulatory authority, as may be in force and effect and shall include applicable foreign exchange laws;

"**Appointed Date**" means open of business on April 01, 2024 or such other date as the Tribunal may direct/ allow;

"**Appropriate Authority**" means:

(a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative sub-division thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof; and

(b) any governmental, quasi-governmental or private body or agency lawfully exercising or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, importing, exporting or other governmental or quasi-governmental authority including without limitation, Stock Exchanges, the Tribunal, Tax department including the Central Board of Direct Taxes, income tax authorities, Central and state goods and services tax departments and such other sectoral regulators or authorities as may be applicable.

"**Board**" or "**Board of Directors**" in relation to the Amalgamating Company 2, the Amalgamating Company 1 and the Amalgamated Company, as the case may be, means the board of directors of such party, and shall include a committee of directors or any person

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authorized by such board of directors or such committee of directors duly constituted and authorized for matters pertaining to this Scheme or any other matter relating thereto;

"**BSE**" means BSE Limited;

"**Companies**" means collectively the Amalgamating Company 2, the Amalgamating Company 1 and the Amalgamated Company;

"**Commercial Arrangements and Documents**" means all agreements, arrangements, contracts, deeds, policies, orders (including purchase/service orders), schemes, undertakings of whatsoever nature and all rights, title, interests, claims and benefits thereunder including customer agreements, agreements with suppliers/manufacturers of goods/service providers, hire/purchase agreements, inter-affiliate agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expressions of interest, letters of intent, operation and maintenance contracts, tenancy agreements, panchnamas for right of way, equipment purchase agreements, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances, leases and licenses, power of attorneys, schemes, facilities with banks, derivative contracts with banks (for meeting its foreign exchange risks), employee stock option schemes and other instruments of whatsoever nature and description, if any, whether written, oral or otherwise, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise;

"**Effective Date**" means the date on which the certified copies of the order of the Tribunal approving this Scheme have been filed with the RoC. Reference in this Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" or "**effect of this Scheme**" or "**upon the Scheme becoming effective**" shall mean the Effective Date;

"**Employment Funds**" means provident fund, gratuity fund, superannuation fund and any other fund or trust in respect of employees;

"**Encumbrance**" means: (a) any interest, mortgage, charge (whether fixed or floating), pledge, equitable interest, liens (statutory or otherwise), hypothecation, trust, assignment, title retention, or security interest of any kind, including securing or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to that of granting of security under Applicable Law; (b) any voting agreement, interest, option, right of first offer, refusal, call right, put right, tag along right, drag along right, or any restriction on the use or exercise of any attribute of ownership, or any right of set off or transfer restriction in favour of any Person; (c) as to a Person's interest in any property, an adverse claim as to title, possession or use to such Person's interest (including any easements); and (d) an agreement to create any of the foregoing, and "**Encumber**" shall be construed accordingly;

"**Existing Shareholders**" means Kalpak Shah, Chirag Jog, Madhur Nawandar, Pranav Kulkarni, Samata Shah and Hemant Jog; currently holding an aggregate of 1,23,850 (one lakh twenty three thousand eight hundred and fifty) Amalgamating Company 1 OCRPS, further details of which have been set out in paragraph 3 of Part I;

"**Holding Company**" means a company in accordance with Section 2(46) of the Act;

"**Income Tax Act**" means the Income-tax Act, 1961;

"**INR**" and "**Rupee(s)**" means Indian Rupee, the lawful currency of the Republic of India;

"**Intellectual Property**" means all intellectual property and intellectual property rights of any nature whatsoever whether registered or unregistered including all past, present, and future rights, benefits and associated goodwill and title which may exist or be created under the laws of any jurisdiction in the world including but not limited to: (a) proprietary information and all rights in any works of authorship, exploitation rights, moral rights, and mask works; copyright, domain names, publishing rights, rights in software, applications, software licenses (whether proprietary or otherwise), source code and licenses, digital platform, patents and industrial property rights, algorithms, database rights and rights in trademarks, trade names, brand names, designs, trade secret rights, techniques, customer and supplier lists, know-how and confidential information (whether registered or unregistered); (b) applications for registration, and rights to apply for registration, of any of the foregoing rights; (c) all service names and marks, all books, records, files, dossiers, papers, engineering and process information, drawings, computer programmes, manuals, data, databases, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, copies of employment information, including but not limited to personnel files (including hiring documents, reference checks, existing employment contracts, policies, handbooks and documents reflecting changes in an employee's position, compensation, benefits, or other terms of employment), payroll records, medical documents, documents relating to past or ongoing leave of absence, on the job injuries or illness, or fitness for work examinations, disciplinary records, related supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities and all other records and documents, whether in physical or electronic form, relating to business activities and operations; and (d) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world in each case for their full term and together with any registration, revivals, renewals, in each case, whether or not recorded in the books of accounts;

"**NSE**" means National Stock Exchange of India Limited;

"**OCRPS**" shall mean the optionally convertible redeemable preference shares issued by the Amalgamated Company in accordance with this Scheme, the terms of which are set out in Annexure 1;

"**Permits**" means all consents, licenses, permits, certificates, permissions, authorizations, allotments, clarifications, approvals (including in-principle approvals), concessions, clearances, confirmations, declarations, quotas, no-objection certificates, waivers, exemptions, registrations, filings, no objections, whether under Applicable Law or otherwise, as required;

"**Person**" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"**Privileges**" means all rights, entitlements, subsidies, special status, benefits, privileges, Tax benefits including incentives, schemes, policies, grants, Tax holiday benefits, claims for carried forward Tax losses and unabsorbed Tax depreciation, brought forward book losses, or credits, including credit arising from advance Tax, self-assessment Tax, withholding Tax credits, foreign Tax credits, equalization levies, set-offs, any Tax refunds and credits, minimum alternate Tax credit entitlement and exemptions, indirect Tax benefits (including VAT credit, goods and service Tax credit or other indirect Tax credits) and waivers or exemptions (whether or not recorded in the books of accounts), any erroneous or excess payment thereof made and any interest thereon, deferred revenue expenditures, pre-qualifications, deductions, exemptions, rebates, allowances, amortization benefits, all other rights, incentives, provisions, exemptions and other benefits, powers and

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facilities of every kind, nature and description whatsoever (including under Applicable Law) and benefits of all applications, agreements, contracts and arrangements and all other interests in connection therewith whether or not recorded in the books of accounts;

"**Proceedings**" means without limitation, all actions, causes of action, demands, litigation, suits, appeals, assessments, arbitrations, legal, quasi-legal, administrative, taxation (including relation to any Taxes), recovery or other proceedings of whatever nature, whether criminal or civil (including before any Appropriate Authority), whether existing or future, under any Applicable Law;

"**Record Date**" means a mutually agreed date fixed by the Board of the Amalgamated Company for the purpose of determining the Existing Shareholders of Amalgamating Company 1 to whom the OCRPS shall be allotted pursuant to this Scheme becoming effective;

"**RoC**" means the Registrar of Companies, Delhi and Haryana;

"**Scheme**" means this composite scheme of amalgamation pursuant to Sections 230 to 232 and other relevant provisions of the Act, and provisions of SEBI Scheme Circular, including any amendments made in accordance with the terms hereof, with the appropriate approvals and sanctions of the Appropriate Authority, as may be required under the Act and under all other Applicable Laws, as modified from time to time;

"**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

"**SEBI Scheme Circular**" means collectively the SEBI master circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*' dated June 20, 2023, as amended from time to time or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

"**Stock Exchanges**" means collectively, BSE and NSE;

"**Subsidiary**" means a company in accordance with Section 2(87) of the Act;

"**Swap Ratio**" shall have the meaning ascribed to the term in Clause 7.1;

"**Tax Laws**" means all Applicable Laws dealing with Taxes;

"**Tax**" or "**Taxes**" means and include (a) any tax, whether direct or indirect, including buy back tax, central sales tax ("**CST**"), cess, surcharge, charges, customs duty, dividend distribution tax, duties (including stamp duties), excise duty, fees, foreign tax credit and equalization levy), goods and service tax ("**GST**"), income tax (including withholding tax ("**TDS**"), legal transaction taxes, local body taxes, octroi, service tax, tax collected at source ("**TCS**"), value added tax ("**VAT**"), taxes payable as representative assessee or other similar assessments under Applicable Law; (b) taxes in relation to: assets, capital gains, employment, entry, expenditure, foreign trade policy, gift, gross receipts, immovable property, imports, income, interest, levies, licensing, movable property, municipal, payroll and franchise taxes, premium, profession, sales, services, transfer, use, wealth, withholding, and (c) any assessments, fines, interest, penalties, surcharges or additions to tax resulting from, attributable to or incurred in connection with any Proceedings or late payments in respect thereof;

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"**Tribunal**" means the National Company Law Tribunal, New Delhi having jurisdiction in relation to the Companies and/ or the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act, and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purpose of Sections 230 to 232 of the Act, as may be applicable; and

"**Undertaking**" means all the undertakings and entire business of a company (whether in India or outside India), as a going concern, and shall include (without limitation):

(a) all assets of the company (along with Encumbrances thereon);

(b) all liabilities of the company;

(c) all Permits of the company;

(d) all Privileges of the company;

(e) all Commercial Arrangements and Documents to which the company is a party or to the benefit of which the company may be eligible;

(f) all Intellectual Property of the company;

(g) all Proceedings of the company; and

(h) the employees, trainees and interns of the company as on the Effective Date (along with Employment Funds of the company).

1.2 In this Scheme, unless the context otherwise requires:

1.2.1. words denoting the singular shall include the plural and *vice versa*; and references to one gender include all genders;

1.2.2. headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same;

1.2.3. the words "include" and "including" are to be construed without limitation;

1.2.4. a reference to an article, clause, section, paragraph, schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.2.5. all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996, Income Tax Act, or any other Applicable Laws, rules, regulations, bye-laws, as the case may be including any statutory modification or re-enactment thereof from time to time;

1.2.6. references to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality); and

1.2.7. reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement

or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder.

2. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

2.1 This Scheme in its present form with or without any modification(s) approved or imposed or directed by the Tribunal, or made as per Clause 20 of this Scheme, shall become effective from the Appointed Date and operative from the Effective Date.

2.2 Upon the Scheme becoming effective in terms of Clause 22 of Part IV, the Scheme shall be made effective in the order as contemplated below:

2.2.1. Part II shall be made effective and operative first; and

2.2.2. Part III shall be made effective and operative immediately after the implementation of Part II of the Scheme.

3. SHARE CAPITAL

3.1 The share capital of the Amalgamating Company 1 as on September 11, 2024 is as follows:

Particulars	INR
Authorised Share Capital	
375,000 equity shares of INR 1/- each	375,000
125,000 optionally convertible redeemable preference shares of INR 1/- each	125,000
Total	**500,000**
Issued, Subscribed and Paid-up Capital	
110,813 equity shares of INR 1/- each fully paid	110,813
123,850 optionally convertible redeemable preference shares of INR 1/- each	123,850
Total	**234,663**

The equity shares and Amalgamating Company 1 OCRPS are not listed on any of the stock exchanges.

3.2 The share capital of Amalgamating Company 2 as on September 11, 2024 is as follows:

Particulars	INR
Authorised Share Capital	
50,000 equity shares of INR 10/- each	500,000
Total	500,000
Issued, Subscribed and Paid-up Capital	
14,666 equity shares of INR 10/- each fully paid	146,660
Total	**146,660**

The equity shares of the Amalgamating Company 2 are not listed on any of the stock exchanges.



3.3 The share capital of the Amalgamated Company as on September 11, 2024 is as follows:

Particulars	INR
Authorised Share Capital	
206,000,000 equity shares of INR 1/- each	206,000,000
Total	**206,000,000**
Issued, Subscribed and Paid-up Capital	
118,303,445 equity shares of INR 1/- each fully paid	118,303,445
Total	**118,303,445**

The equity shares of the Amalgamated Company are listed on BSE and NSE.



PART II

AMALGAMATION OF THE AMALGAMATING COMPANY 1 INTO THE AMALGAMATED COMPANY

4. AMALGAMATION AND VESTING OF AMALGAMATING COMPANY 1 AND ITS UNDERTAKING

4.1 Transfer and Vesting

Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of Part IV of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act, and in terms of Section 2(1B) of the Income Tax Act and pursuant to the order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed, the Amalgamating Company 1 shall stand amalgamated with the Amalgamated Company as a going concern and the Undertaking of the Amalgamating Company 1 shall without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, so as to become as and from the Appointed Date, the Undertaking of the Amalgamated Company by virtue of operation of Law, and in the manner provided in this Scheme.

4.2 Assets

4.2.1 In respect of such of the assets of the Amalgamating Company 1 which are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon coming into effect of this Scheme and with effect from the Appointed Date shall, *ipso facto* become the assets of the Amalgamated Company without requiring any other act or order or deed or instrument of conveyance.

4.2.2 Without prejudice to Clause 4.2.1, upon coming into effect of this Scheme and with effect from the Appointed Date, all assets of the Amalgamating Company 1 which are movable in nature and not dealt with in Clause 4.2.1, shall stand transferred and vested in the Amalgamated Company without any notice or other intimation to any Person to the end and intent that the right of the Amalgamating Company 1 to recover or realize the same stands transferred to the Amalgamated Company, and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to any person. The Amalgamated Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Person, as the case may be, that the said assets stand transferred to and vested in the Amalgamated Company and be paid or made good or held on account of the Amalgamated Company as the Person entitled thereto.

4.2.3 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all assets of the Amalgamating Company 1 that are immovable in nature (if any) shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Part II of this Scheme. The mutation or substitution of the title to the assets of the Amalgamating Company 1 that are immovable in nature (if any), upon the coming into effect of this Scheme and with effect from the Appointed Date, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereto, without entering into any further deed, instrument or writing.

4.2.4 All assets and rights, titles or interests therein acquired by the Amalgamating Company 1 after the Appointed Date shall also, without any further act, instrument or deed stand

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transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date.

4.3 Encumbrances

4.3.1 The transfer and vesting of the assets to and in the Amalgamated Company in accordance with Clause 4.2 shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

4.3.2 All existing Encumbrances over the assets of the Amalgamating Company 1 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to only such assets or any part thereof to which they are related or attached as on the Effective Date. Provided that if any of the assets of the Amalgamating Company 1 which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

4.3.3 If any Encumbrance of the Amalgamating Company 1 exists as on the Appointed Date, but has been partially or fully released thereafter by the respective Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Amalgamated Company upon the coming into effect of the Scheme. Similarly, the Amalgamated Company shall not be required to create any additional security over the assets vested under this Scheme for any loans, deposits or other financial assistance already availed of/ to be availed of by it and the Encumbrances in respect of such indebtedness of the Amalgamated Company shall not extend or be deemed to extend or apply to the assets so vested.

4.3.4 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in Commercial Arrangements and Documents (including any instrument, deed or writing or the terms of sanction or issue or any security documents), all of which shall be deemed to have been modified and/ or superseded by the provisions of this Clause 4.3.

4.4 Liabilities

4.4.1 Upon the coming into effect of this Scheme and with effect from Appointed Date, all liabilities (including but not limited to liabilities under the incentive pool and any liabilities under Applicable Laws and in respect of Taxes) of the Amalgamating Company 1, whether provided for in the books or otherwise, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Amalgamated Company to the extent that they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 1 and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other Person who is a party to any contract or arrangement (including any Commercial Arrangements and Documents) by virtue of which such debts or liabilities have arisen in order to give effect to the provisions of this Clause 4.4.

4.4.2 Where any of the liabilities of the Amalgamating Company 1 deemed to be transferred to the Amalgamated Company pursuant to Clause 4.4.1 have been partially or fully redeemed, repaid, met, discharged or satisfied by the Amalgamating Company 1 on or after the

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Appointed Date, such redemption, repayment, meeting, discharging and satisfaction shall be deemed to have been for and on account of the Amalgamated Company.

4.5 Permits

4.5.1 Upon the coming into effect of this Scheme, without any further act, instrument or deed, all Permits, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 1, including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall stand transferred to the Amalgamated Company so as to become as and from the Appointed Date, the Permits and powers of attorney of the Amalgamated Company, as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The concerned licensors and grantors of such Permits and powers of attorney, shall endorse, where necessary, and record, in accordance with Applicable Law, the endorsement or mutation in favour of the Amalgamated Company on such Permits and powers of attorney.

4.5.2 Without prejudice to the other provisions of the Scheme, the Amalgamated Company and/or the Amalgamating Company 1 may make necessary applications/ file relevant forms to any Appropriate Authority as may be necessary in this behalf.

4.6 Privileges

4.6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Privileges of the Amalgamating Company 1, and the rights and benefits thereunder shall be transferred to and vested in or deemed to have transferred to or vested in the Amalgamated Company and the concerned grantors, licensors and executor of the Privileges shall, as necessary, endorse, transfer to, amend to include, novate in favour of, substitute and/or record, in accordance with Applicable Law, the Amalgamated Company so as to empower and facilitate the approval and vesting of the Privileges in the Amalgamated Company without hindrance and that such Privileges shall remain in full force and effect in favour of or against the Amalgamated Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company had been the beneficiary thereof.

4.6.2 If at any time on or after the Appointed Date, any Privileges are granted or accrued or available to the Amalgamating Company 1, the Amalgamated Company shall be entitled, as an integral part of the Scheme, to claim such Privileges without any further act or deed or order or instrument. Without prejudice to the generality of the foregoing, all Privileges of the Amalgamating Company 1 in respect of Taxes shall be transferred to the Amalgamated Company in accordance with the Applicable Law.

4.7 Commercial Arrangements and Documents

4.7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Commercial Arrangements and Documents to which the Amalgamating Company 1 is a party or to the benefit of which the Amalgamating Company 1 may be eligible, or under which the Amalgamating Company 1 has any obligations to discharge and which are subsisting or having effect shall, and the rights and benefits thereunder shall be transferred to and vested in or deemed to have transferred to or vested in the Amalgamated Company without any further act, instrument or deed, continue in full force and effect in favour of or against the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto or thereunder. The concerned grantors, licensors

and executor of the Commercial Arrangements and Documents shall, as necessary, endorse, transfer to, amend to include, novate in favour of, substitute and/or record, in accordance with Applicable Law, the Amalgamated Company on Commercial Arrangements and Documents so as to empower and facilitate the approval and vesting of the Amalgamating Company 1 and its Undertaking and continuation of operation thereof in the Amalgamated Company without hindrance. It is hereby clarified that if the consent of any Person is required to give effect to the provisions of this Scheme, such Person (including any third party or Appropriate Authority) shall take on record the drawn up order of the NCLT sanctioning the Scheme and undertake all necessary acts required to ensure that there is no break in the validity and enforceability of the Commercial Arrangements and Documents in each case by the Amalgamated Company in respect of the Amalgamating Company 1 and its Undertaking. Amalgamated Company shall be entitled to undertake and carry out the business of the Amalgamating Company 1 and its Undertaking, on its own account or in the name of the Amalgamating Company 1 pending the transfer of any Commercial Arrangements and Documents in the name of the Amalgamated Company and would be entitled to make any applications, requests and the like in this regard including for endorsement, transfer, amendment, novation, substitution and/or recording in the name of Amalgamated Company.

4.7.2 Without prejudice to the other provisions of this Scheme, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Amalgamating Company 1 is a party, or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Amalgamated Company shall be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances on the part of the Amalgamating Company 1 to be carried out or performed as referred to above.

4.8 Intellectual Property

Without prejudice to the generality of the foregoing, upon the effectiveness of the Scheme and with effect from the Appointed Date, the Amalgamated Company will be entitled to all the Intellectual Property of the Amalgamating Company 1 and the same shall stand transferred to and vested in the Amalgamated Company. The Amalgamated Company may take such actions as may be necessary and permissible to get the same registered in the name of the Amalgamated Company.

4.9 Proceedings

4.9.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, any Proceedings by or against or relating to the Amalgamating Company 1, whether pending on the Appointed Date or instituted thereafter shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, and the Proceedings may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Company 1 as if this Scheme had not been made.

4.9.2 On and from the Effective Date, the Amalgamated Company may initiate or defend any Proceeding for and on behalf of the Amalgamating Company 1 and in respect of the Amalgamating Company 1 and its Undertaking.

4.10 Employees

4.10.1 With effect from the Effective Date, the Amalgamated Company undertakes to engage without any interruption in service, all the employees of the Amalgamating Company 1 as on the Effective Date on terms and conditions on the whole no less favourable than those on which they are engaged by the Amalgamating Company 1 and such employment shall be deemed to come into effect from the Appointed Date or the respective joining date of such employees, whichever is later. The Amalgamated Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Amalgamating Company 1 with any of the aforesaid employees. The Amalgamated Company agrees that the services of all such employees with the Amalgamating Company 1 prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

4.10.2 With effect from the Appointed Date, the accumulated balances, if any, standing to the credit of and in favour of the aforesaid employees in the Employment Funds of the Amalgamating Company 1, as the case may be, will be transferred to the respective Employment Funds of the Amalgamated Company whether existing or set-up by the Amalgamated Company in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the Employment Funds of the Amalgamating Company 1 and such funds shall be held for the benefit of the employees transferred under the Scheme and the Amalgamated Company shall stand substituted for the Amalgamating Company 1, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of the relevant Employment Funds.

4.10.3 In relation to those employees of the Amalgamating Company 1 who are not covered under the provident fund trust of the Amalgamating Company 1 or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamating Company 1 is making contributions to the government provident fund, the Amalgamated Company shall stand substituted for the Amalgamating Company 1, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye-laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamating Company 1 in relation to such provident fund trust shall become those of the Amalgamated Company.

4.11 Bank Accounts and Banking Transactions

On and from the Effective Date and till such time that the name(s) of the bank account(s) of the Amalgamating Company 1 have been replaced with that of the Amalgamated Company, the Amalgamated Company shall be entitled to maintain and operate the bank accounts of the Amalgamating Company 1 for such time as may be determined to be necessary by the Amalgamated Company. All cheques and other negotiable instruments as well as payment orders (including for electronic fund transfer) received or presented for encashment after the Effective Date which are in the name of the Amalgamating Company 1 shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company, if presented by the Amalgamated Company.

4.12 Miscellaneous

The Companies may, if required, execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or

modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme and in respect hereof.

5. TAXES/ DUTIES/ CESS

5.1 Part II of this Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of Law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. It is hereby clarified that such modification shall not affect the other parts of the Scheme.

5.2 Upon the effectiveness of the Scheme and with effect from the Appointed Date, by operation of Law pursuant to the order of the Tribunal:

5.2.1. Taxes of whatsoever nature, if any, paid by the Amalgamating Company 1 shall be treated as paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Further, any Tax deducted at source by the Amalgamating Company 1/ the Amalgamated Company on payables to the Amalgamated Company/ the Amalgamating Company 1 respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Amalgamated Company and shall, in all Proceedings, be dealt with accordingly.

5.2.2. The Amalgamating Company 1 and the Amalgamated Company are expressly permitted to revise and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including Tax deducted / collected at source returns, GST returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance Tax credits, credit of Tax deducted at source, credit of foreign Taxes paid/withheld, etc. if any, as may be required for the purposes of/ consequent to implementation of the Scheme.

5.2.3. In case of any Privileges including under applicable Tax Laws, the Amalgamated Company, if so required, shall issue notice in the name of the Amalgamating Company 1, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant Privileges, be paid or made good or held on account of the Amalgamated Company, as the Person entitled thereto, to the end and intent that the right of the Amalgamating Company 1, to recover or realise the same, stands transferred to the Amalgamated Company.

5.2.4. Obligation for deduction of Tax at source on any payment made by or to be made by the Amalgamating Company 1, under Tax Laws or other Applicable Laws dealing with Taxes duly complied by the Amalgamating Company 1 shall be made or deemed to have been made and duly complied with by the Amalgamated Company.

6. CHANGE OF AUTHORISED SHARE CAPITAL

6.1 Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company such that upon the effectiveness of the Scheme, the authorized share capital of the Amalgamated Company shall be INR 20,70,00,000 (Rupees Twenty Crore and Seventy Lakh only) comprising of 20,18,00,000 (Twenty Crore Eighteen Lakh only) equity shares of INR 1/- (Rupee One) each and 52,00,000 (Fifty Two

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Lakh only) optionally convertible redeemable preference shares of INR 1/- (Rupee One) each, without any further act, deed, resolution, instrument or writing. As a consequence of the increase in and/or reclassification of the authorized share capital of the Amalgamated Company, the memorandum of association of the Amalgamated Company shall, upon the coming into effect of this Scheme and without any further act, deed, instrument, resolution or writing be altered and modified to take into account the effect of such change as follows:

MEMORANDUM OF ASSOCIATION

"V. The Authorised Share Capital of the Company is INR 20,70,00,000 (Rupees Twenty Crore and Seventy Lakh only) divided into:

(a) 20,18,00,000 (Twenty Crore Eighteen Lakh only) equity shares of INR 1/- (Rupee One) each; and

(b) 52,00,000 (Fifty Two lakh) Preference Shares of INR 1/- (Rupee one) each"

6.2 It is clarified that for the purposes of Clause 6.1 above, under the accepted principle of single window clearance, the consent of the members of the Amalgamated Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or increase/reclassification of authorized share capital of the Amalgamated Company, and no further resolution under Section 13, Section 14, Section 61 or any other applicable provisions of the Act would be required to be separately passed. In accordance with Section 232 (3)(i) of the Act, the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Company 1 shall be utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement for any further payment of stamp duty and/or fee by the Amalgamated Company for increase in the authorised share capital to that extent.

7. CONSIDERATION

7.1 Upon the Scheme coming into effect and in consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act, deed, consent or instrument, issue and allot in accordance with the ratio set out below ("**Swap Ratio**"), the OCRPS to the Existing Shareholders of the Amalgamating Company 1 who were holding Amalgamating Company 1 OCRPS and whose name is recorded in the register of members and/ or records of the depository on the Record Date. The terms of the OCRPS issued and allotted are set out in Annexure 1. The OCRPS shall not be listed or admitted to trading on any stock exchange.

"**Swap Ratio**" shall be Four Thousand One Hundred and Sixty Seven (4,167) OCRPS of Amalgamated Company of INR 1/- each fully paid for every One Hundred (100 Only) Amalgamating Company 1 OCRPS of INR 1/- each fully paid up.

7.2 Upon the cancellation of the equity shares of the Amalgamating Company 1 and the Amalgamating Company 1 OCRPS, and the issue of the OCRPS to the Existing Shareholders by the Amalgamated Company, the share capital of the Amalgamating Company 1 will be cancelled and extinguished without any further act, instrument or deed.

7.3 The OCRPS of the Amalgamated Company shall be subject to the provisions of the memorandum of association and articles of association of the Amalgamated Company, as amended from time to time.

7.4 In case any shareholder's shareholding in the Amalgamating Company 1 is such that such shareholder becomes entitled to a fraction of the OCRPS, the Amalgamated Company shall round the same up to the next whole number.

7.5 If the Amalgamating Company 1 or the Amalgamated Company restructure/ alter their share capital including by way of share split/ consolidation/ rights issue/ issue of bonus shares or in any other manner during the pendency of the Scheme, the Swap Ratio set out in Clause 7.1 shall be adjusted accordingly to take into effect such corporate action without requirement of any further approval from the Appropriate Authority.

7.6 The issue and allotment of the OCRPS of the Amalgamated Company is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Amalgamated Company or the Amalgamating Company 1 or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Amalgamated Company and/or the Amalgamating Company 1 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the OCRPS of the Amalgamated Company and the issue and allotment of the OCRPS shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.

7.7 It is clarified that the approval of the members of the Amalgamated Company to this Scheme and the consequential alteration of its memorandum of association pursuant to this Clause 7 of the Scheme and the Amalgamated Company shall be deemed to be consent/ approval of the Amalgamated Company and shall not be required to seek separate consent/ approval of its shareholders for such alteration, as required under Sections 13, 61, 64, and other applicable provisions of the Act.

8. ACCOUNTING TREATMENT

8.1. Pursuant to the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 1 with the Amalgamated Company in its books of accounts as per the "Pooling of Interest" method prescribed under Appendix C of the Indian Accounting Standard - 103 - "Business Combinations" (IND AS 103) prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India and any other relevant or related requirement under the Act, as applicable on the Effective Date as under: All the assets and liabilities and reserves recorded in the books of the Amalgamating Company 1 shall stand transferred to and vested in the books of the Amalgamated Company pursuant to the Scheme and shall be recorded by the Amalgamated Company at their carrying amounts as appearing in the consolidated financial statements of the Amalgamated Company. Accordingly, assets including the goodwill and other intangibles appearing in the consolidated financial statements of the Amalgamated Company, will continue to appear in the standalone financial statements of the Amalgamated Company after giving effect to the Scheme;

8.1.1. The identity of the reserves of the Amalgamating Company 1 shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the Amalgamating Company 1;

8.1.2. Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Amalgamating Company 1 and the Amalgamated Company as appearing in their books of accounts, if any, shall stand cancelled;

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8.1.3. Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of the amalgamation, as stated above, as if the amalgamation had occurred from later of beginning of the comparative period or when the control was acquired.

8.1.4. In case of differences in accounting policy between the Amalgamating Company 1 and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail.

9. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon this Scheme coming into effect, the resolutions/ power of attorneys executed by the Amalgamating Company 1, as are considered necessary by the Board of the Amalgamated Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Amalgamated Company shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Amalgamated Company.



PART III

AMALGAMATION OF THE AMALGAMATING COMPANY 2 INTO THE AMALGAMATED COMPANY

10. AMALGAMATION AND VESTING OF AMALGAMATING COMPANY 2 AND ITS UNDERTAKING

10.1 Transfer and Vesting

Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of Part IV of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act, and in terms of Section 2(1B) of the Income Tax Act and pursuant to the order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed, the Amalgamating Company 2 shall stand amalgamated with the Amalgamated Company as a going concern and the Undertaking of the Amalgamating Company 2 shall without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, so as to become as and from the Appointed Date, the Undertaking of the Amalgamated Company by virtue of operation of Law, and in the manner provided in this Scheme.

10.2 Assets

10.2.1 In respect of such of the assets of the Amalgamating Company 2 which are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon coming into effect of this Scheme and with effect from the Appointed Date shall, *ipso facto* become the assets of the Amalgamated Company without requiring any other act or order or deed or instrument of conveyance.

10.2.2 Without prejudice to Clause 10.2.1, upon coming into effect of this Scheme and with effect from the Appointed Date, all assets of the Amalgamating Company 2 which are movable in nature and not dealt with in Clause 10.2.1, shall stand transferred and vested in the Amalgamated Company without any notice or other intimation to any Person to the end and intent that the right of the Amalgamating Company 2 to recover or realize the same stands transferred to the Amalgamated Company, and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to any person. The Amalgamated Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said assets stand transferred to and vested in the Amalgamated Company and be paid or made good or held on account of the Amalgamated Company as the Person entitled thereto.

10.2.3 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all assets of the Amalgamating Company 2 that are immovable in nature (if any) shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Part III of this Scheme. The mutation or substitution of the title to the assets of the Amalgamating Company 2 that are immovable in nature (if any), upon the coming into effect of this Scheme and with effect from the Appointed Date, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereto, without entering into any further deed, instrument or writing.

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10.2.4 All assets and rights, titles or interests therein acquired by the Amalgamating Company 2 after the Appointed Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date.

10.3 Encumbrances

10.3.1 The transfer and vesting of the assets to and in the Amalgamated Company in accordance with Clause 10.2 shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

10.3.2 All existing Encumbrances over the assets of the Amalgamating Company 2 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to only such assets or any part thereof to which they are related or attached as on the Effective Date. Provided that if any of the assets of the Amalgamating Company 2 which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

10.3.3 If any Encumbrance of the Amalgamating Company 2 exists as on the Appointed Date, but has been partially or fully released thereafter by the respective Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Amalgamated Company upon the coming into effect of the Scheme. Similarly, the Amalgamated Company shall not be required to create any additional security over the assets vested under this Scheme for any loans, deposits or other financial assistance already availed of/ to be availed of by it and the Encumbrances in respect of such indebtedness of the Amalgamated Company shall not extend or be deemed to extend or apply to the assets so vested.

10.3.4 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in Commercial Arrangements and Documents (including any instrument, deed or writing or the terms of sanction or issue or any security documents), all of which shall be deemed to have been modified and/ or superseded by the provisions of this Clause 10.3.

10.4 Liabilities

10.4.1 Upon the coming into effect of this Scheme and with effect from Appointed Date, all liabilities (including any liabilities under Applicable Laws and in respect of Taxes) of the Amalgamating Company 2, whether provided for in the books or otherwise, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Amalgamated Company to the extent that they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 2 and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other Person who is a party to any contract or arrangement (including any Commercial Arrangements and Documents) by virtue of which such debts or liabilities have arisen in order to give effect to the provisions of this Clause 10.4.

10.4.2 Where any of the liabilities of the Amalgamating Company 2 deemed to be transferred to the Amalgamated Company pursuant to Clause 10.4.1 have been partially or fully redeemed, repaid, met, discharged or satisfied by the Amalgamating Company 2 on or after

the Appointed Date, such redemption, repayment, meeting, discharging and satisfaction shall be deemed to have been for and on account of the Amalgamated Company.

10.5 Permits

10.5.1 Upon the coming into effect of this Scheme, without any further act, instrument or deed, all Permits, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 2, including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall stand transferred to the Amalgamated Company so as to become as and from the Appointed Date, the Permits and powers of attorney of the Amalgamated Company, as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The concerned licensors and grantors of such Permits and powers of attorney, shall endorse, where necessary, and record, in accordance with Applicable Law, the endorsement or mutation in favour of the Amalgamated Company on such Permits and powers of attorney.

10.5.2 Without prejudice to the other provisions of the Scheme, the Amalgamated Company and/or the Amalgamating Company 2 may make necessary applications/ file relevant forms to any Appropriate Authority as may be necessary in this behalf.

10.6 Privileges

10.6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Privileges of the Amalgamating Company 2, and the rights and benefits thereunder shall be transferred to and vested in or deemed to have transferred to or vested in the Amalgamated Company and the concerned grantors, licensors and executor of the Privileges shall, as necessary, endorse, transfer to, amend to include, novate in favour of, substitute and/or record, in accordance with Applicable Law, the Amalgamated Company so as to empower and facilitate the approval and vesting of the Privileges in the Amalgamated Company without hindrance and that such Privileges shall remain in full force and effect in favour of or against the Amalgamated Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2, the Amalgamated Company had been the beneficiary thereof.

10.6.2 If at any time on or after the Appointed Date, any Privileges are granted or accrued or available to the Amalgamating Company 2, the Amalgamated Company shall be entitled, as an integral part of the Scheme, to claim such Privileges without any further act or deed or order or instrument. Without prejudice to the generality of the foregoing, all Privileges of the Amalgamating Company 2 in respect of Taxes shall be transferred to the Amalgamated Company in accordance with the Applicable Law.

10.7 Commercial Arrangements and Documents

10.7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Commercial Arrangements and Documents to which the Amalgamating Company 2 is a party or to the benefit of which the Amalgamating Company 2 may be eligible, or under which the Amalgamating Company 2 has any obligations to discharge and which are subsisting or having effect shall, and the rights and benefits thereunder shall be transferred to and vested in or deemed to have transferred to or vested in the Amalgamated Company without any further act, instrument or deed, continue in full force and effect in favour of or against the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto or thereunder. The concerned grantors, licensors

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and executor of the Commercial Arrangements and Documents shall, as necessary, endorse, transfer to, amend to include, novate in favour of, substitute and/or record, in accordance with Applicable Law, the Amalgamated Company on Commercial Arrangements and Documents so as to empower and facilitate the approval and vesting of the Amalgamating Company 2 and its Undertaking and continuation of operation thereof in the Amalgamated Company without hindrance. It is hereby clarified that if the consent of any Person is required to give effect to the provisions of this Scheme, such Person (including any third party or Appropriate Authority) shall take on record the drawn up order of the NCLT sanctioning the Scheme and undertake all necessary acts required to ensure that there is no break in the validity and enforceability of the Commercial Arrangements and Documents in each case by the Amalgamated Company in respect of Amalgamating Company 2 and its Undertaking. Amalgamated Company shall be entitled to undertake and carry out the business of the Amalgamating Company 2 and its Undertaking on its own account or in the name of the Amalgamating Company 2 pending the transfer of any Commercial Arrangements and Documents in the name of the Amalgamated Company and would be entitled to make any applications, requests and the like in this regard including for endorsement, transfer, amendment, novation, substitution and/or recording in the name of Amalgamated Company.

10.7.2 Without prejudice to the other provisions of this Scheme, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Amalgamating Company 2 is a party, or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Amalgamated Company shall be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company 2 and to carry out or perform all such formalities or compliances on the part of the Amalgamating Company 2 to be carried out or performed as referred to above.

10.8 Intellectual Property

Without prejudice to the generality of the foregoing, upon the effectiveness of the Scheme and with effect from the Appointed Date, the Amalgamated Company will be entitled to all the Intellectual Property of the Amalgamating Company 2 and the same shall stand transferred to and vested in the Amalgamated Company. The Amalgamated Company may take such actions as may be necessary and permissible to get the same registered in the name of the Amalgamated Company.

10.9 Proceedings

10.9.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, any Proceedings by or against or relating to the Amalgamating Company 2, whether pending on the Appointed Date or instituted thereafter shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, and the Proceedings may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Company 2 as if this Scheme had not been made.

10.9.2 On and from the Effective Date, the Amalgamated Company may initiate or defend any Proceeding for and on behalf of the Amalgamating Company 2 and in respect of the Amalgamating Company 2 and its Undertaking.

10.10 Employees

10.10.1 With effect from the Effective Date, the Amalgamated Company undertakes to engage without any interruption in service, all the employees of the Amalgamating Company 2 as on the Effective Date on terms and conditions on the whole no less favourable than those on which they are engaged by the Amalgamating Company 2 and such employment shall be deemed to come into effect from the Appointed Date or the respective joining date of such employees, whichever is later. The Amalgamated Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Amalgamating Company 2 with any of the aforesaid employees. The Amalgamated Company agrees that the services of all such employees with the Amalgamating Company 2 prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

10.10.2 With effect from the Appointed Date, the accumulated balances, if any, standing to the credit of and in favour of the aforesaid employees in the Employment Funds of the Amalgamating Company 2, as the case may be, will be transferred to the respective Employment Funds of the Amalgamated Company whether existing or set-up by the Amalgamated Company in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the Employment Funds of the Amalgamating Company 2 and such funds shall be held for the benefit of the employees transferred under the Scheme and the Amalgamated Company shall stand substituted for the Amalgamating Company 2, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of the relevant Employment Funds.

10.10.3 In relation to those employees of the Amalgamating Company 2 who are not covered under the provident fund trust of the Amalgamating Company 2 or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamating Company 2 is making contributions to the government provident fund, the Amalgamated Company shall stand substituted for the Amalgamating Company 2, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye-laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamating Company 2 in relation to such provident fund trust shall become those of the Amalgamated Company.

10.11 Bank Accounts and Banking Transactions

On and from the Effective Date and till such time that the name(s) of the bank account(s) of the Amalgamating Company 2 have been replaced with that of the Amalgamated Company, the Amalgamated Company shall be entitled to maintain and operate the bank accounts of the Amalgamating Company 2 for such time as may be determined to be necessary by the Amalgamated Company. All cheques and other negotiable instruments as well as payment orders (including for electronic fund transfer) received or presented for encashment after the Effective Date which are in the name of the Amalgamating Company 2 shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company, if presented by the Amalgamated Company.

10.12 Miscellaneous

The Companies may, if required, execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or

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modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme and in respect hereof.

11. TAXES/ DUTIES/ CESS

11.1 Part III of this Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of Law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. It is hereby clarified that such modification shall not affect the other parts of the Scheme.

11.2 Upon the effectiveness of the Scheme and with effect from the Appointed Date, by operation of Law pursuant to the order of the Tribunal:

11.2.1. Taxes of whatsoever nature, if any, paid by the Amalgamating Company 2 shall be treated as paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Further, any Tax deducted at source by the Amalgamating Company 2/ the Amalgamated Company on payables to the Amalgamated Company/ the Amalgamating Company 2 respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Amalgamated Company and shall, in all Proceedings, be dealt with accordingly.

11.2.2. The Amalgamating Company 2 and the Amalgamated Company are expressly permitted to revise and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including Tax deducted / collected at source returns, GST returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance Tax credits, credit of Tax deducted at source, credit of foreign Taxes paid/withheld, etc. if any, as may be required for the purposes of/ consequent to implementation of the Scheme.

11.2.3. In case of any Privileges including under applicable Tax Laws, the Amalgamated Company, if so required, shall issue notice in the name of the Amalgamating Company 2, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant Privileges, be paid or made good or held on account of the Amalgamated Company, as the Person entitled thereto, to the end and intent that the right of the Amalgamating Company 2, to recover or realise the same, stands transferred to the Amalgamated Company.

11.2.4. Obligation for deduction of Tax at source on any payment made by or to be made by the Amalgamating Company 2, under Tax Laws or other Applicable Laws dealing with Taxes duly complied by the Amalgamating Company 2 shall be made or deemed to have been made and duly complied with by the Amalgamated Company.

12. CONSIDERATION

Upon effectiveness of Part II of the Scheme, the Amalgamating Company 2 will become a wholly owned Subsidiary of Amalgamated Company without any further act, instrument or deed. Since it will be a wholly owned subsidiary of the Amalgamated Company, there will be no issue of shares or discharge of any consideration pursuant to the amalgamation of Amalgamating Company 2 with Amalgamated Company.

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13. ACCOUNTING TREATMENT

13.1 Pursuant to the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 2 with the Amalgamated Company in its books of accounts as per the "Pooling of Interest" method prescribed under Appendix C of the Indian Accounting Standard - 103 - "Business Combinations" (IND AS 103) prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India and any other relevant or related requirement under the Act, as applicable on the Effective Date as under:

13.1.1 All the assets and liabilities and reserves recorded in the books of the Amalgamating Company 2 shall stand transferred to and vested in the books of the Amalgamated Company pursuant to the Scheme and shall be recorded by the Amalgamated Company at their carrying amounts as appearing in the consolidated financial statements of the Amalgamated Company. Accordingly, assets including the goodwill and other intangibles appearing in the consolidated financial statements of the Amalgamated Company, will continue to appear in the standalone financial statements of the Amalgamated Company after giving effect to the Scheme;

13.1.2 The identity of the reserves of the Amalgamating Company 2 shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the Amalgamating Company 2;

13.1.3 Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Amalgamating Company 2 and the Amalgamated Company as appearing in their books of accounts, if any, shall stand cancelled;

13.1.4 Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of the amalgamation, as stated above, as if the amalgamation had occurred from later of beginning of the comparative period or when the control was acquired.

13.1.5 In case of differences in accounting policy between the Amalgamating Company 2 and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail.

14. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon this Scheme coming into effect, the resolutions/ power of attorneys executed by Amalgamating Company 2, as are considered necessary by the Board of the Amalgamated Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Amalgamated Company shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Amalgamated Company.

PART IV

GENERAL TERMS & CONDITIONS

15. DIVIDENDS

15.1 The Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

15.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the respective Companies, and subject to approval, if required, of the shareholders of the respective Companies.

16. CHANGE IN CAPITAL STRUCTURE

Without prejudice to the generality of this Scheme, during the period between the date of approval of the Scheme by the respective Boards and up to and Effective Date, pursuant to this Scheme, the Amalgamated Company may make changes in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares) or decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner, provided that such change in the capital structure of the Amalgamated Company does not affect the Swap Ratio or, if such change can affect the Swap Ratio, the Swap Ratio is adjusted pursuant to and in accordance with Clause 7.5.

17. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or Proceedings already concluded or liabilities incurred by the Amalgamating Company 1 or the Amalgamating Company 2 until the Effective Date to the end and intent that the Amalgamated Company shall accept and adopt all acts, deeds and things done and executed by the Amalgamating Company 1 and the Amalgamating Company 2 in respect thereto as done and executed on behalf of the Amalgamated Company.

18. FACILITATION PROVISIONS

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Amalgamating Companies are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Amalgamated Company, the Amalgamated Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement.

19. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

The Companies shall, without undue delay, make all necessary applications to SEBI/ Stock Exchanges in connection with the Scheme and make applications and petitions to the Tribunal for sanctioning this Scheme under Sections 230 to 232 of the Act, including seeking such orders for convening and holding or alternatively, dispensing with

SYSTEMS INTERNATIONAL LTD.

requirements for convening and holding meetings of the shareholders and/ or creditors of the Companies as may be directed by the Tribunal and obtain such other approvals, as required by Applicable Law.

20. MODIFICATION OR AMENDMENTS TO THIS SCHEME

20.1 The Companies (acting through their Board) may, in their full and absolute discretion, jointly and as mutually agreed in writing, modify or vary this Scheme at any time prior to the Effective Date in any manner (including pursuant to any direction by any Appropriate Authority under Applicable Law), provided that any modification to or variation of the Scheme by the Companies, after receipt of sanction by the Tribunal, shall be made only with the prior approval of the Tribunal and/or any other Appropriate Authorities as may be required under Applicable Law.

20.2 In case, post approval of the Scheme by the Tribunal, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Boards of the Companies shall have complete power to mutually take the most sensible interpretation so as to render the Scheme operational.

20.3 If the Companies are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI or Stock Exchanges to the Scheme, such modification shall be subject to approval of SEBI or Stock Exchanges of such modification or any further modifications as may be required by SEBI or Stock Exchanges.

21. SEVERABILITY

21.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if the Scheme is approved in its entirety in accordance with the terms of the Scheme, unless specifically agreed otherwise by each of the Companies through their respective Boards.

21.2 Subject to Clause 21.1 above, if any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies and the Amalgamated Company, affect the validity or implementation of the other parts and/or provisions of this Scheme. In the event the deletion of such part of the Scheme shall cause this Scheme to become materially adverse to the Companies, the Companies acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Companies, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

22. EFFECTIVENESS OF THIS SCHEME

22.1 Unless otherwise decided (or waived) by the Companies (through their respective Boards), the coming into effect of this Scheme is conditional upon and subject to:

22.1.1. Stock Exchanges issuing its observation letter/ no objection letter in relation to the Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such observation letter not imposing any material adverse conditions on any party or any material transactions contemplated hereunder;

22.1.2. approval of the Scheme by the requisite majority of the public shareholders of the Amalgamated Company, shareholders of Amalgamating Companies and creditors (where applicable) of all the Companies as required under sections 230 to 232 of the Act, the SEBI

Scheme Circular or as per directions of the Tribunal, subject to any dispensation that may be granted by the Tribunal;

22.1.3. the sanction or approval of the Appropriate Authorities and other sanctions and approvals (as may be required by Applicable Law) in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

22.1.4. the sanctions and orders of the Tribunal, under sections 230 to 232 of the Act being obtained by the Companies and if the sanctions and orders, are subject to certain conditions, then upon the fulfilment of the respective sanctions and orders of the Tribunal;

22.1.5. the certified copies of the order of the Tribunal approving this Scheme having been filed with the RoC; and

22.1.6. fulfilment of all other conditions precedent as agreed by the Companies in writing, in the manner so agreed between the Companies.

22.2 The Companies shall mutually acknowledge in writing that the last of the conditions and matters referred to in Clause 22.1 above have occurred, have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme.

22.3 Upon the sanction of the Scheme and upon the Scheme becoming effective pursuant to this Clause 22, the Scheme shall be made effective in the order as contemplated below:

22.3.1. Part II of this Scheme shall be made effective and operative first; and

22.3.2. Part III of the Scheme shall be made effective and operative immediately after implementation of Part II of the Scheme.

23. POST SCHEME CONDUCT OF OPERATION

23.1 Even after the Scheme becomes effective, the Amalgamated Company shall be entitled to operate all bank accounts of the Amalgamating Companies and realize all monies and complete and enforce all pending contracts and transactions in respect of the Amalgamating Companies in the name of the Amalgamated Company in so far as may be necessary until the transfer of rights and obligations of the Amalgamating Companies to the Amalgamated Company under this Scheme is formally accepted by the Amalgamating Companies and the Amalgamated Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Amalgamating Companies have been replaced with that of the Amalgamated Company, the Amalgamated Company shall be entitled to operate the bank accounts of the Amalgamating Companies in the name of the Amalgamating Companies in so far as may be necessary.

23.2 The Amalgamated Company, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to either use/surrender/convert or transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, Permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Amalgamating Companies. It is hereby clarified that if the consent of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause 23, the said third party or Appropriate Authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme, and upon this Scheme becoming effective in accordance with the

SYSTEMS INTERNATIONAL LTD.

provisions of the Act and with the terms hereof. For this purpose, the Amalgamated Company shall file applications/documents, as applicable, with the Appropriate Authorities concerned for information and record purposes.

23.3 Without prejudice to the other provisions of the Scheme, in order to ensure implementation of the provisions of the Scheme and continued vesting of the benefits in favour of the Amalgamated Company, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, unilaterally take all such actions, including execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Amalgamating Companies have been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Companies;

23.4 It is hereby clarified that any actions required to be taken by the Amalgamating Companies under the Scheme, pursuant to the amalgamation and dissolution of the Amalgamating Companies shall be discharged by the Amalgamated Company as its successor.

24. WITHDRAWAL OF THIS SCHEME

24.1 The Companies (through their respective Boards), shall be at liberty to withdraw the Scheme by mutual agreement, at any time before the Effective Date.

24.2 In the event of withdrawal of the Scheme as set out under Clause 24.1 above, no rights and liabilities shall accrue to or be incurred by respective Companies or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

25. COSTS AND EXPENSES

25.1 All costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Scheme shall be borne and paid by the Amalgamated Company.

26. AMENDMENT OF THE ARTICLES OF ASSOCIATION OF AMALGAMATED COMPANY

26.1 As an integral part of this Scheme, under the accepted principle of single window clearance, the articles of association of the Amalgamated Company shall stand amended and restated as set out in Annexure 2 and the approval of Appropriate Authorities and the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the amendment of the articles of association as aforesaid, including under Section 13, 14 and other applicable provisions of the Act and no further approval of the shareholders of the Amalgamated Company or of any Appropriate Authority would be required in this connection under Applicable Law.

27. BUSINESS BETWEEN APPOINTED DATE AND THE EFFECTIVE DATE

27.1 With effect from the Appointed Date and up to and including the Effective Date:

27.1.1. the Amalgamating Companies shall conduct their respective businesses in the ordinary course with reasonable diligence and business prudence consistent with past practices in all material respects;

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27.1.2. the Amalgamating Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all their respective estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for the Amalgamated Company;

27.1.3. all profits and income accruing or arising to the Amalgamating Companies, and losses and expenditure arising or incurred by the relevant Amalgamating Company (including Taxes, if any, accruing or paid in relation to any profits or income) shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including Taxes), as the case may be, of the Amalgamated Company; and

27.1.4. any of the rights, powers, authorities or Privileges exercised by the Amalgamating Companies shall be deemed to have been exercised by the Amalgamating Companies, for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Companies shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company.

27.1.5. all liabilities incurred or created by the Amalgamating Companies from the Appointed Date, subject to the terms of this Scheme, shall be deemed to have been incurred or created for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the liabilities of the Amalgamated Company.

27.2 The Amalgamated Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Amalgamated Company may require to carry on the business of the Amalgamating Companies and their Undertakings and to give effect to the Scheme.

27.3 For the avoidance of doubt, it is hereby clarified that the Amalgamated Company may make investments or undertake acquisitions for a consideration of any kind, including cash or non-cash consideration, provided that such investments and/ or acquisitions are made in compliance with Applicable Law.

27.4 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act, in respect of this Scheme by the Tribunal, the Amalgamated Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Amalgamated Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

28. DISSOLUTION OF THE AMALGAMATING COMPANIES

On the Scheme becoming effective, without any further act, instrument or deed, the Amalgamating Companies shall stand dissolved without winding up, their shares shall stand cancelled and extinguished, and their Boards and any committees thereof shall be and stand discharged. On and from the Effective Date, the name of Amalgamating Companies shall be struck off from the records of the RoC.

ANNEXURE 1 | TERMS OF OCRPS

The OCRPS issued and allotted by the Amalgamated Company to the Existing Shareholders, shall be subject to the terms set out in this Schedule.

I. TERMS AND CONDITIONS OF THE OCRPS

1. **Face Value**

The OCRPS shall have a face value of INR 1 (One Rupee) each.

2. **Term**

The period starting from the date of the Effective Date and ending on the last day of the 18th (eighteenth) month after that date shall be called the "**OCRPS Term**".

3. **Conversion or Redemption**

(a) At the end of the OCRPS Term, the OCRPS shall convert into equity shares of the Amalgamated Company at the conversion price and in the manner determined in accordance with Paragraph 4 of this **Annexure 1**.

(b) The Amalgamated Company shall, 1 (one) month prior to expiry of the OCRPS Term, communicate the following to the holders of the OCRPS by issuing a notice in writing ("**Entitlement Decision Notice**"):

(i) Whether the OCRPS will be converted into equity shares of the Amalgamated Company; and

(ii) If the OCRPS will be redeemed, then the redemption value thereof as determined by the Amalgamated Company (if such value is different from the face value).

It is clarified that the OCRPS shall be redeemed only in case the applicable "Vesting Factor" is 0% for the purpose of Paragraph 4 of this **Annexure 1** and in no circumstance shall the redemption of an OCRPS happen at a price higher than its face value.

(c) The holders of the OCRPS shall be entitled to seek such information and clarifications as may be relevant to the matters set forth in the Entitlement Decision Notice. The Amalgamated Company and the holders of OCRPS shall endeavour, each acting in good faith, to agree on the matters set forth in the Entitlement Decision Notice.

(d) If any holder of an OCRPS disagrees with the Entitlement Decision Notice, it may commence an arbitration in accordance with Clause 12 of the Amalgamated Company Shareholder's Agreement. Thereafter, the conversion or redemption of the OCRPS shall be subject to the decision, if any, of the Arbitration Board.

(e) If, for any reason whatsoever, the holder of an OCRPS has not commenced arbitration in accordance with Clause 12 of the Amalgamated Company Shareholder's Agreement within 1 (one) month of the Entitlement Decision Notice, he/she shall be deemed to have accepted the contents of the Entitlement Decision Notice and the Amalgamated Company shall proceed to convert or redeem his/her OCRPS, as applicable, in accordance with the Entitlement Decision Notice.



(f) The Amalgamated Company shall be responsible to pay all costs and expenses in relation to the issuance of equity shares of the Amalgamated Company pursuant to the conversion of the OCRPS, including any costs pertaining to increasing the authorised capital, any fee payable to the RoC, stamp duty, and/or any Taxes and levies, other than any costs and expenses arising out of arbitration Proceedings commended in accordance with Paragraph (d) above, which costs and expenses shall be borne as directed by the arbitration board. Any withholding tax required to be withheld in accordance with Applicable Law on the conversion of the OCRPS or on the redemption thereof, shall be duly withheld by the Amalgamated Company.

4. **Conversion Terms**

(a) The conversion ratio of the OCRPS shall be 1 equity share for every OCRPS issued pursuant to the Scheme, provided that the total equity shares of the Amalgamated Company received by each OCRPS holder pursuant to this paragraph 4, shall be subject to the Vesting Factor. To clarify, the conversion ratio shall be: 1 OCRPS : 1 equity share of the Amalgamated Company * Vesting Factor.

(b) All equity shares of the Amalgamated Company issued upon the conversion of any OCRPS will: (i) upon issuance and delivery, be duly and validly issued, fully paid and free from all Encumbrances (other than as set out in the Amalgamated Company Shareholders Agreement); and (ii) in all respects, rank *pari passu* with other equity shares of the Amalgamated Company.

5. **Nature**

The OCRPS are non-cumulative optionally convertible and redeemable preference shares. The OCRPS shall, at all times, rank *pari passu* and without any preference or priority among themselves. The OCRPS shall be subordinated to liabilities from third party lenders of the Amalgamated Company in respect of third-party indebtedness.

6. **Dividend and Liquidation Preference**

Each OCRPS shall carry non-cumulative and non-participating preferential dividend at the rate of 0.0001% (zero point zero zero zero one per cent) per annum on the face value of the OCRPS in priority to any payment of dividend on equity shares of the Amalgamated Company. The holders of the OCRPS shall not have the right to participate in dividend along with the holders of equity shares of the Amalgamated Company.

The OCRPS holder shall be responsible for its own Taxes (present or future) on any coupon, paid or accrued. The Amalgamated Company shall deduct withholding Taxes, as per Applicable Law, on the OCRPS coupon paid to an OCRPS holder.

In the case of a winding up or repayment of capital, each holder of an OCRPS shall be entitled to receive the amount of the share capital paid-up thereon without any premium.

7. **Transferability**

The transferability of the OCRPS shall be subject to the provisions of this Agreement and Applicable Law.

8. **Amendments**

Subject to the Act and the Amalgamated Company Shareholder's Agreement, the rights, Privileges and conditions attached to an OCRPS may not be varied, modified or abrogated in any manner whatsoever other than in accordance with Applicable Law.

For the purposes of the terms of the OCRPS:

"**Bad Leaver**" means an Existing Shareholder whose employment with the Amalgamated Company is terminated, or who is serving a notice period, pursuant to: (i) a Cause; or (ii) voluntary resignation by such Existing Shareholder from the employment of the Amalgamated Company (other than as a consequence of a change of Control of the Amalgamated Company to a third party who seeks that such Existing Shareholder not remain in employment of the Amalgamated Company). For the avoidance of doubt, it is hereby clarified that an Existing Shareholder will not be deemed a Bad Leaver if such Existing Shareholder's employment is terminated for any other reason (including on account of termination for convenience or for bad or underperformance or termination/resignation due to death, permanent physical or mental incapacity or critical illness);

"**Cause**" in the context of an Existing Shareholder means: (i) a conviction of such Existing Shareholder on account of a criminal offence involving an act of moral turpitude, which results in a sentence of imprisonment, and such conviction or sentence of imprisonment has not been stayed by the relevant criminal court or the jurisdictional High Court within 180 (one hundred eighty) days from the date on which a challenge has been filed against such conviction or sentence of imprisonment; (ii) such Existing Shareholder is barred by the SEBI from accessing the capital markets, and such decision not being set aside within a period of 180 (one hundred eighty) days from it being passed; (iii) theft (including theft of Amalgamated Company data) and fraud by such Existing Shareholder in relation to the Companies, as determined by the Investor's audit committee on the basis of a report issued by a Big Four Accounting Firm or any other internationally reputed forensic investigator; (iv) such Existing Shareholder committing a material breach of Clause 15 of the employment agreement executed by such Existing Shareholder with the Amalgamated Company, which, if remediable, is not remedied within 30 (thirty) days of a written notice by the Amalgamated Company identifying such material breach; (v) such Existing Shareholder committing a material breach of any of the material policies of the Amalgamated Company from time to time (including the sexual harassment policy in force from time to time) which, if remediable, is not remedied within such cure period as the Amalgamated Company may provide at its discretion depending on the policy and the gravity of its violation; (vi) wilful misconduct or gross negligence by such Existing Shareholder, which is detrimental to the business or reputation of the Amalgamated Company; or (vii) any transfer of securities by such Existing Shareholder in breach of Clause 6 (Transfer of Securities) of the Amalgamated Company Shareholders Agreement or any breach by such Existing Shareholder of Clause 5 (Non-Compete and Non-Solicitation) of the Amalgamated Company Shareholders Agreement, which has not been cured within the cure period prescribed under the Amalgamated Company Shareholders Agreement;

"**Vesting Factor**" for:

(a) each Existing Shareholder (other than Samata Shah and Hemant Jog) shall mean:

(i) 0% (zero per cent), if such Existing Shareholder has become a Bad Leaver on or prior to the 1st (first) anniversary of the Closing Date;

(ii) 25% (twenty five per cent), if such Existing Shareholder has become a Bad Leaver after the 1st (first) anniversary of the Closing Date but prior to (A) the 2nd (second) anniversary of the Closing Date; or (B) the date of conversion of OCRPS into equity shares of the Amalgamated Company, whichever is earlier;

RSYSTEMS INTERNATIONAL LTD.

(iii) 50% (fifty per cent), if such Existing Shareholder has become a Bad Leaver after the 2nd (second) anniversary of the Closing Date but prior to (A) the 3rd (third) anniversary of the Closing Date; or (B) the date of conversion of OCRPS into equity shares of the Amalgamated Company, whichever is earlier; or

(iv) 100% (one hundred per cent), if such Existing Shareholder has not become a Bad Leaver up till the date of (A) the 3rd (third) anniversary of the Closing Date; or (B) conversion of OCRPS into equity shares of the Amalgamated Company, whichever is earlier; and

(b) Samata Shah and Hemant Jog shall mean 100% (one hundred percent);

"**Closing Date**" shall mean July 3, 2023;

"**Amalgamated Company Shareholder's Agreement**" means the shareholders' agreement entered into between the Amalgamated Company, BCP Asia II TopCo II Pte. Ltd. and the Existing Shareholders on the date of filing the first motion petition of this Scheme with the Tribunal, as amended from time to time.



ANNEXURE 2 | AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF THE AMALGAMATED COMPANY

[Attached Separately]



THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

R SYSTEMS INTERNATIONAL LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

The Articles of Association ("**Articles**") of R Systems International Limited ("**Company**") are divided into two (2) parts - **Part A** and **Part B**, which parts shall, unless the context otherwise requires, co-exist with each other.

The provisions of **Part A** shall apply to all the matters to which they pertain, to the extent, and only in so far, as they are not inconsistent with the special provisions of **Part B**. As long as **Part B** remains a part of these Articles and notwithstanding what is stated elsewhere in these Articles, in case of inconsistency between **Part A** and **Part B**, the provisions of **Part B** shall prevail over the other provisions of **Part A**, to the maximum extent permitted under the Companies Act, 2013. For the avoidance of doubt, it is clarified that the provisions of **Part B** of these Articles shall be applicable to, and bind, all Members of the Company and the Company itself. For any clarification, reference shall be made to the Agreement (as defined in **Part B** of these Articles) and for this purpose, the Agreement shall be deemed to be part of these Articles, as if incorporated herein.

PART A

PRELIMINARY

TABLE 'F' EXCLUDED

1. The Regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013, shall not apply to the Company, except in so far as the same are not provided for or are not inconsistent with these Articles and are expressly made applicable in these Articles or by the said Act.

2. The regulations for the management of the Company and for the observance by the Members thereto and their representatives shall be such as are contained in these Articles and shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013.

DEFINITIONS AND INTERPRETATION

3. In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

"Act" means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant

authority under the Companies Act, 2013, and applicable and subsisting provisions of the Companies Act, 1956, if any, along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

"Annual General Meeting" shall mean the annual general meeting of the Company convened and held in accordance with the Act.

"Articles of Association" or "Articles" shall mean these articles of association of the Company, as may be altered from time to time in accordance with these Article and Act.

"Auditors" shall mean and include those persons appointed as such for the time being by the Company.

"Board" or "Board of Directors" shall mean the collective body of the directors of the Company.

"**Book and Paper**" and "**Book or Paper**" include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form;

"Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

"Chairperson" or "Chairperson" shall mean such person as is nominated or appointed in accordance with Article 75 herein below.

"Companies Act, 1956" shall mean the Companies Act, 1956 (Act I of 1956), to the extent that such provisions have not been repealed or superseded by the Companies Act, 2013 or de-notified.

"Company" or "this Company" or "the Company" shall mean **R SYSTEMS INTERNATIONAL LIMITED**.

"**Debenture**" includes Debenture-Stock, bonds or other securities of the Company evidencing a debt whether constituting a charge on the assets of the Company or not.

"**Debenture Holders**" shall mean the duly registered holders from time to time, of the debentures of the Company and shall include in case of debentures held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.

"Depository" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.



"Director" shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the applicable law and the provisions of these Articles.

"Dividend" shall include final as well as interim dividends.

"Encumbrance" shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind.

"Extraordinary General Meeting" shall mean an extraordinary general meeting of the Company convened and held in accordance with the Act.

"General Meeting" shall mean any duly convened meeting of the shareholders of the Company and any adjournments thereof.

"**Managing Director**" shall mean the Managing Director for the time being of the Company.

"Member" shall mean the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

"Memorandum" or "Memorandum of Association" shall mean the memorandum of association of the Company, as may be altered from time to time.

"Office" shall mean the registered office, for the time being of the Company;

"Officer" shall have the meaning assigned thereto by the Act;

"Ordinary Resolution" shall have the meaning assigned thereto by the Act;

"Register of Members" shall mean the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, in case of shares held in a Depository;

"SEBI" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

"SEBI Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and read with listing agreement entered into or may be entered in future by the Company with the Stock Exchanges.

"Securities" or "securities" shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, depository receipts, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.



"Shares" or "shares" shall mean any share issued in the Share Capital of the Company, including Equity Shares and/or Preference Shares.

"Special Resolution" shall have the meaning assigned thereto by the Act.

"Stock Exchanges" shall mean BSE Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

4. Except where the context requires otherwise, these Articles will be interpreted as follows:

(a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.

(b) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(c) the expressions "hereof", "herein" and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

(d) the ejusdem generis (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, include and including will be read without limitation;

(e) any reference to a person includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality.

(f) A reference to any person in these Articles shall, where the context permits, include such person's executors, administrators, heirs, legal representatives and permitted successors and assigns;

(g) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

(h) references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 have ceased to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified;

(i) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time: (i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other

RSYSTEMS INTERNATIONAL LTD.

statute or statutory provision; and (ii) any subordinate legislation or regulation made under the relevant statute or statutory provision;

(j) In the event any of the provisions of the Articles are contrary to the provisions of the Act, the provisions of the Act will prevail;

(k) references to writing include any mode of reproducing words in a legible and non-transitory form; and

(l) references to Rupees, Rs., Re., INR, ` are references to the lawful currency of India.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. AUTHORISED SHARE CAPITAL

The authorised share capital of the Company shall be of such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company. The Company shall have the power to increase, reduce or re-classify such capital for the time being into several classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate such capital in accordance with the Articles of the Company or the provisions of the Act and other applicable law for the time being in force.

6. NEW CAPITAL PART OF THE EXISTING CAPITAL

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

7. SHARES AT THE DISPOSAL OF THE DIRECTORS

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

8. FURTHER ISSUE OF SHARES

The Board or the Company, as the case may be, may, in accordance with the Act, issue further shares to:

(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or



(b) employees under any scheme of employees' stock option; or

(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

9. RIGHT TO CONVERT LOANS INTO CAPITAL

Notwithstanding anything contained in clauses(s) of Article 08 above, but subject to the provisions of the Act, the Company may increase its subscribed capital by converting Debentures or loans or any other borrowings, into shares, including on exercise of an option attached to the Debentures or loans or any other borrowings to convert such Debentures or loans into shares or to subscribe for shares in the Company.

10. ISSUE OF SHARES WITH DIFFERENTIAL VOTING RIGHTS

The Company shall have the power to issue Shares with such differential rights as to Dividend, voting or otherwise, subject to the compliance with any law as may be applicable

11. ISSUE OF SWEAT EQUITY SHARES

Subject to the terms and conditions prescribed in Section 54 of the Act, the Board may offer, issue and allot Shares in the capital of the Company as sweat equity shares.

12. PREFERENCE SHARES

The Company, subject to the applicable provisions of the Act and these Articles, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed or converted in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

13. ALLOTMENT OF SHARES FOR CONSIDERATION OTHERWISE THAN CASH

The Board of Directors may, subject to the relevant provisions of the Act and these Articles, issue and allot shares of the Company in consideration of or part payment for any property or assets of any kind whatsoever purchased by or transferred to the Company or in respect of goods sold or transferred or machinery or appliances

supplied or for services rendered to the Company or in the conduct of its business or for conversion of any Debentures, loans or other borrowings; and any shares which may be so allotted may be issued as fully/partly paid up shares otherwise than for cash and if so issued shall be deemed as fully/partly paid up shares.

14. MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

15. INSTALLMENTS ON SHARES

If, by the conditions of allotment of any shares, whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

16. MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Act, require or fix for the payment thereof.

17. SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CAPITAL

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing share;

Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

(c) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

(d) sub-divide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and



(e) cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this clause shall not be deemed to be reduction of Share Capital within the meaning of the Act.

18. SHARES MAY BE CONVERTED INTO STOCK

Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; and

(c) such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder"/ "Member" shall include "stock" and "stock-holder" respectively.

19. RIGHTS TO ISSUE SHARE WARRANTS

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

20. BOARD TO MAKE RULES

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

21. REDUCTION OF CAPITAL

Subject to the provisions of the Act, the Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

R SYSTEMS INTERNATIONAL LTD.

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account;

and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

22. BUY BACK OF SHARES

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

23. VARIATION OF SHAREHOLDERS' RIGHTS

If at any time the share capital is divided into different classes of shares, the rights attached to any class, (unless otherwise provided by the terms of issue of the shares of that class), may, subject to the provisions of Section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply.

24. DEBENTURE

Any Debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Share and attending (but not voting) at General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into Shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.

Any Trust Deed for securing Debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustee thereof or by the holders of Debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of Debentures or debenture stock from time to time to remove any Directors so appointed.

The provisions herein contained relating to transfer and transmission shall also apply to Debentures in the same manner as they apply to Shares.

SHARE CERTIFICATES

25. ISSUE OF CERTIFICATE

In accordance with the provisions of the Act, every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of

SYSTEMS INTERNATIONAL LTD.

each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of Debenture. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

26. RULES TO ISSUE SHARE CERTIFICATES

The Act shall be complied with in the issue, reissue, renewal of share certificates and the format and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said Act.

27. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued upon on payment of Rupees 20 for each certificate.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

The provision of this clause shall mutatis mutandis apply to Debentures of the Company.

28. SHARES HELD JOINTLY

(a) Where two or more Persons are registered as the holders of any Share, they shall be deemed to hold the same jointly with benefits of survivorship subject to the provisions contained in these Articles;

(b) The joint-holders of any Share shall be liable, severally as well as jointly, for and in respect of all calls and other payments which ought to be made in respect of such Shares;

(c) On the death of any such joint-holder, the survivor or survivors shall be the only Person or Persons recognised by the Company as having any title to

R SYSTEMS INTERNATIONAL LTD.

the Share, but the Directors may require such evidence of deaths as they may deem fit and nothing herein contained shall be taken to release the estate on the deceased joint-holder from any liability on Shares held by him jointly with any other person;

(d) Any such joint-holders may give effectual receipts for any Dividends or other moneys payable in respect of such Shares;

(e) Only the person whose name stands in the Register of Members as the first of the joint-holders of any Shares shall be entitled to delivery of the certificate relating to such Share or to receive notices from the Company, and any notice given to such person shall be deemed proper notice to all joint-holders; and

(f) Any one of two or more joint-holders may vote at any meeting personally or by proxy in respect of such Shares as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, the holder whose name stands first or higher (as the case may be) on the Register of Members in respect of such Share shall alone be entitled to vote in respect thereof:

Provided that a person present at any meeting personally shall be entitled to vote in preference to a person present by proxy.

UNDERWRITING & BROKERAGE

29. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.

(a) Subject to the provisions of the Act and other applicable laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to Securities of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Securities of the Company and provisions of the Act shall apply;

(b) The Company may also, in any issue, pay such brokerage as may be lawful; and

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in the one way and partly in the other.

LIEN

30. COMPANY'S LIEN ON SHARES

The Company shall have a first and paramount lien—

(a) on every share not being a fully paid up share, whether solely or jointly, for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

RSYSTEMS INTERNATIONAL LTD.

(b) on all shares (not being fully paid up shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares.

31. LIEN TO EXTEND TO DIVIDENDS, ETC.

The Company's lien, if any, on a share shall extend to all Dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

32. ENFORCING LIEN BY SALE

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

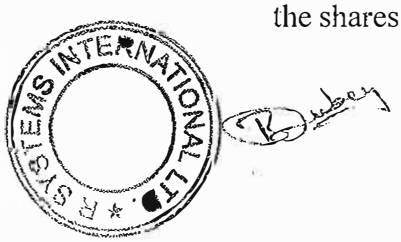
No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

33. VALIDITY OF SALE

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

34. APPLICATION OF SALE PROCEEDS

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.



35. OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities, including Debentures of the Company.

CALLS ON SHARES

36. BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES

The Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. A call may be made to be paid by installments.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

37. NOTICE FOR CALL

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, in respect of one or more Members as the Board may deem appropriate in any circumstances. A call may be revoked or postponed at the discretion of the Board.

38. CALL WHEN MADE

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.

39. LIABILITY OF JOINT HOLDERS FOR A CALL

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.



40. CALLS TO CARRY INTEREST

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same, from the day appointed for the payment thereof to the time of actual payment, at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

41. DUES DEEMED TO BE CALLS

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, such sum becomes payable.

42. EFFECT OF NON-PAYMENT OF SUMS

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

43. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Board:

(a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the Member paying the sum in advance.

Nothing contained in this Article shall confer on the Member: (i) any right to participate in profits or Dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

The provisions of Articles relating to calls shall mutatis mutandis apply to any other securities, including Debentures of the Company.

FORFEITURE OF SHARES

44. BOARD TO HAVE A RIGHT TO FORFEIT SHARES

If a Member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree (if any) in respect thereof remains unsatisfied in whole or in

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part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

45. NOTICE FOR FORFEITURE OF SHARES

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen (14) days from the date of services of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends and bonus declared in respect of the forfeited Shares and not actually paid before the forfeiture.

46. RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares, nor any part payment or satisfaction thereof, nor the receipt by the Company of a portion of any money, which shall from time to time be due from any Member in respect of any shares either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the forfeiture of such shares as herein provided.

47. FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

48. MEMBER TO BE LIABLE EVEN AFTER FORFEITURE

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all calls, installments, interest, expenses and other monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture, or waive payment in whole or in part. The liability of such person shall

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cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

49. EFFECT OF FORFEITURE

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as expressly saved by these Articles.

50. CERTIFICATE OF FORFEITURE

A duly verified declaration in writing that the declarant is a Director, the manager, or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

51. TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

52. VALIDITY OF SALES

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members. In respect of such shares, the validity of the sale shall not be impeached by any person.

53. CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

54. BOARD ENTITLED TO CANCEL FORFEITURE

The Board may, at any time before any share so forfeited, shall have them sold, reallotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

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55. SUMS DEEMED TO BE CALLS

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities, including Debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

56. REGISTER OF TRANSFER AND INSTRUMENT OF TRANSFER

Subject to the Provisions of the Act, the Company shall record in the Register of Transfers fairly and distinctly particulars of every transfer or transmission of any share or other Security held in a material form.

In accordance with Section 56 of the Act, these Articles, and such other conditions as may be prescribed under applicable law, the instrument of transfer of any share held in physical form shall be in writing. The Company shall use the form of transfer, as prescribed under the Act, in all cases.

Further, in case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act and other applicable rules and regulations shall apply.

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Every such instrument of transfer shall be duly stamped and executed both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

Every instrument of transfer shall be presented within a period of sixty (60) days from execution to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the Shares, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

57. CLOSING REGISTER OF MEMBERS

Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice to close the Register of Members, the register of Debenture Holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty-five (45) days in each year as it may seem expedient.

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58. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register: (a) the transfer of a share, not being a fully paid up share, to a person of whom they do not approve; or (b). any transfer of shares on which the Company has a lien.

Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

The Board may decline to recognize any instrument of transfer unless:

(a) the instrument of transfer is in the form prescribed under the Act;

(b) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

Where the application is made by the transferor alone and relates to partly paid up shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within two (2) weeks from the receipt of the notice.

On giving not less than seven (7) days' previous notice in accordance with Section 91 of the Act, the registration of transfers may be suspended at such times and for such periods, as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty-five (45) days in the aggregate in any year.

59. ENDORSEMENT OF TRANSFER

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

60. TITLE TO SHARES OF DECEASED MEMBERS

The executors or administrators or holders of a succession certificate, or the legal representatives of a deceased Member (not being one or two joint-holders) shall be the only person recognised by the Company as having any title to the Shares registered in the name of such Member, and the Company shall be bound to recognise such executors or administrators or holders of a succession certificate or

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the legal representatives shall have first obtained probate holders or Letter of Administration or succession certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of probate or Letter of Administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member as a Member.

61. TRANSFERS NOT PERMITTED

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except through a legal guardian.

62. TRANSMISSION OF SHARES

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence, as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent Member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid, as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

63. RIGHTS ON TRANSMISSION

A person becoming entitled to a share by transmission, by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such Dividends or money, be entitled to the same Dividends and other advantages to which he would be entitled, if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment

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of all Dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

64. SHARE CERTIFICATES TO BE SURRENDERED

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

65. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have notice of such equitable rights referred thereto in any Books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in any Book of the Company. The Company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

The provisions of these Articles, shall, mutatis mutandis, apply to the transfer of or the transmission by law of the right to any securities including, Debentures of the Company.

66. DEMATERIALISATION OF SECURITIES

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the provisions of the Act, Depositories Act and other applicable rules and regulations framed thereunder, if any.

Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security



or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable, contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

Save as herein otherwise provided, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner and every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company and will also be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act 1996.

The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of Members for the purposes of the Act.

The provisions of this Article regarding dematerialization and rematerialisation shall mutatis mutandis apply to any other Securities including Debentures of the Company, as may be issued from time to time.

67. AMALGAMATION

Subject to provisions of the Act and provisions of any other law required to comply, the Company may amalgamate any other person, firm or body corporate or cause itself to be amalgamated with any other person, firm or body corporate.

CAPITALISATION OF PROFITS

68. CAPITALISATION OF PROFITS

(a) The Company in a General Meeting, may, on recommendation of the Board resolve:

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

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(ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of Dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the applicable provision contained below, either in or towards:

(i) paying up any amounts for the time being unpaid on shares held by such Members respectively;

(ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid;

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii);

(iv) The General Reserve Account, a securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares; or

(v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

69. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares or other securities, if any; and

(ii) generally, do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fractions; and

(ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to



be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on such Members.

70. ANNUAL GENERAL MEETINGS

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

(c) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time with which any Annual General Meeting may be held.

71. EXTRAORDINARY GENERAL MEETINGS

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

72. EXTRAORDINARY MEETINGS ON REQUISITION

The Board shall on, the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

73. QUORUM FOR GENERAL MEETING

No business shall be transacted at any General Meeting unless a quorum of Member is present at the time when the meeting proceeds to transact the business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided for in Section 103 of the Act.

74. ADJOURNMENT OF GENERAL MEETING

Subject to the provisions of the Act, if within half an hour from the time appointed for a General Meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week, or if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

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Provided that in case of an adjourned meeting or of a change of day, time or place of meeting, the company shall give not less than three (3) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

Subject to the provisions of the Act, the chairperson of a General Meeting may, with the consent given in the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

75. CHAIRPERSON OF GENERAL MEETING

The Chairperson of the Board (if any), shall preside as Chairman at every General Meeting of the Company, whether Annual or Extraordinary. If there is no such Chairperson of the Board or if at any meeting such chairperson is not present within fifteen (15) minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairperson. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their Members to be the Chairperson of the meeting. No business shall be discussed at any General Meeting except the election of a Chairperson while the Chair is vacant.

If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of this Act and the Chairperson elected on a show of hands shall continue to be the Chairperson of the meeting until some other person is elected as Chairperson as a result of the poll, and such other person shall be the Chairperson for the rest of the meeting.

76. VOTING AT MEETING

A Member can exercise his vote at a meeting by show of hands, electronic means or Ballot or Polling Papers or such other means as may be provided by the Company in accordance with the provisions of the Act.

Unless a poll is so demanded, a declaration by the Chairman that the resolution, through e-voting or other modes of voting, has been carried unanimously or by a particular majority as the case may be and an entry to that effect in the Book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.



77. DECISION BY POLL

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs in accordance with the provisions of the Act, and the results of the e-voting and poll together shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight (48) hours from the time of demand, as the Chairman of the meeting directs.

A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

78. CASTING VOTE OF CHAIRPERSON

In case of equality of votes, whether on a show of hands or on a poll, the chairperson of the General Meeting at which the show of hands takes place, or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

79. PASSING RESOLUTIONS BY POSTAL BALLOT

Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.

Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

VOTE OF MEMBERS

80. VOTING RIGHTS OF MEMBERS

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands, every Member holding equity shares and present in person shall have one vote.

(b) On a poll, every Member or his proxy holding equity shares therein shall have voting rights in proportion to his share in the paid up equity share capital.

A Member may exercise his vote at a meeting by electronic means in accordance with the Act or any other Law, if applicable to the Company and shall vote only once.

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81. VOTING BY JOINT-HOLDERS

In case of joint holders, the vote of first named of such joint holders in the Register of Members, who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

82. VOTING BY MEMBER OF UNSOUND MIND

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy.

83. NO RIGHT TO VOTE UNLESS CALLS ARE PAID

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

84. PROXY

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

85. INSTRUMENT OF PROXY

An instrument appointing a proxy shall be in the form as prescribed under the Act and the relevant rules, for this purpose. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered Office of the Company not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. Any person whether or not he is a Member of the Company may be appointed as a proxy.

86. VALIDITY OF PROXY

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

87. CORPORATE MEMBERS

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks

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fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

DIRECTOR

88. NUMBER OF DIRECTORS

Subject to the applicable provisions of the Act and other rules and regulations, the number of Directors shall not be less than three (3) and not more than fifteen (15). Provided that the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

89. SHARE QUALIFICATION NOT NECESSARY

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

90. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of the Act or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.

91. ADDITIONAL DIRECTORS

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person, other than a person who fails to get appointed as a Director in a General Meeting, as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board under these Articles.

Any Person so appointed as an addition shall hold office only up to the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

92. ALTERNATE DIRECTORS

Subject to the applicable provisions of the Act, the Board may appoint any individual, not being a person holding any alternate directorship for any other Director in the Company, an alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three (3) months from India. No person shall be appointed as an alternate Director for an independent Director unless he is qualified to be



appointed as an independent Director under the provisions of the Act and other applicable laws.

An alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

93. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

Subject to the provision of the Act, the Board shall have power at any time, and from time to time, to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Any intermittent vacancy of an independent Director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three (3) months from the date of such vacancy, whichever is later.

94. NOMINEE DIRECTORS

Subject to the provisions of the Act, so long as any moneys remain owed by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company controlled by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans/ or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold Debentures/ shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "Corporation") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non-whole- time (which Director or Director(s) is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

95. REMUNERATION OF DIRECTORS

Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director, and any other Director(s) who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

Subject to the provisions of the Act, the Directors of the Company may be paid remuneration by way of commission at such percentage as the Board deems fit of the net profits of the Company computed in the manner provided in the Act, to be shared and distributed amongst the Directors inter-se in such proportions or proportions as they deem fit.

All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them: (a) in attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

96. REMUNERATION FOR EXTRA SERVICES

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as Member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

97. CONTINUING DIRECTOR MAY ACT

The continuing Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director

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may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company, but for no other purpose.

98. DISQUALIFICATION AND VACATION OF OFFICE BY A DIRECTOR

A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in the relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances as mentioned in relevant provisions of the Act.

Subject to the applicable provisions of the Act, the resignation of a Director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the Director in the notice, whichever is later.

ROTATION AND RETIREMENT OF DIRECTOR

99. RETIREMENT OF DIRECTORS BY ROTATION

At the Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Independent Directors appointed under the provisions of the Act shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between Persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

100. RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

101. DIRECTORS NOT LIABLE FOR RETIREMENT

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

102. RETIRING DIRECTOR TO REMAIN IN OFFICE TILL SUCCESSORS APPOINTED

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled

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up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the returning Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up, shall be deemed to have been reappointed at the adjourned Meeting.

103. POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in General Meeting remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

104. RIGHT OF PERSONS OTHER THAN RETIRING DIRECTORS TO STAND FOR DIRECTORSHIP

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other Member intending to propose him as a Director not less than fourteen (14) days before the meeting has left at the registered office of the Company, a notice in writing under his hand signifying his candidature as a the Director or the intention of such Member to propose him as a candidate as a Director as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such Member if the person succeeds in getting elected as Directors or gets more than 25% of total valid votes cast either as show of hands or on poll on such resolution.

105. DIRECTOR FOR COMPANIES PROMOTED BY THE COMPANY

Directors of the Company may be or become a Director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or Member of such company, subject to compliance with applicable provisions of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS AND ITS COMMITTEE(S)

106. MEETINGS OF THE BOARD

At least four (4) Board Meetings shall be held in a calendar year and there should not be a gap of more than one hundred twenty (120) days between two consecutive Board Meetings.

The Chairperson or Managing Director may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the

requisition of a Director shall at any time summon a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act.

The participation of Directors in a meeting of the Board may be either in person or through electronic mode, that is, by way of video conferencing or audio visual electronic communication facility in accordance with provision of the Act. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

107. QUORUM

The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher, and participation of the Directors by video conferencing or audio visual shall also be counted for the purpose of quorum. Provided that where at any time the number of interested Directors is equal to or exceeds two thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

108. QUESTIONS AT BOARD MEETING HOW DECIDED

Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

In case of equality of votes, the Chairperson or the Director presiding shall have a second or casting vote.

109. ADJOURNED MEETING

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

110. ELECTION OF CHAIRPERSON OF BOARD

The Board may elect a chairperson of its meeting and determine the period for which he is to hold office.

If no such chairperson is elected or at any meeting the chairperson is not present within five (5) minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairperson of the meeting.

SYSTEMS INTERNATIONAL LTD.

111. POWERS OF DIRECTORS

Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other law or by the Memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Memorandum or in these Articles or in any regulations not in consistent therewith duly made thereunder including regulations made by the Company in General Meeting.

No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

112. DELEGATION OF POWERS

Subject to the provisions of the Act, the Board may delegate all or any of its powers to any Directors jointly or severally, or to any one Director or a Committee of Directors, or to any other Officer of the Company.

Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

The Board may appoint at any time and from time to time by resolution or a power of attorney, any person to be the attorney of the Company for such purposes and with such authorities and discretions not exceeding those vested in or exercisable by the Board in these Articles, and for such period and subject to such conditions as the Board may from time to time think fit and any such Power of Attorney may contain such provisions for the protection and convenience of Persons dealing with such Attorney as the Board may think fit.

113. ELECTION OF CHAIRPERSON OF COMMITTEE

The Board or committee may elect a chairperson of its meeting. If no such chairperson is elected or if at any meeting the chairperson is not present within five (5) minutes after the time appointed for holding the meeting, the Members of the respective committee present may choose one of their Members to be the chairperson of the committee meeting.

The quorum of a committee may be fixed by the Board of Directors in accordance with the provisions of the Act and other rules and regulations as may be applicable in this regard.

114. QUESTIONS HOW DETERMINED

A committee may meet and adjourn as it thinks proper or required as per law time being in force. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Members present as the case may be

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and in case of equality of votes, the chairperson shall have a second or casting vote, in addition to his vote as a Member of the committee.

115. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors, or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

Provided that nothing in this Article shall be deemed to give validity to any act done by the Director after his appointment has been noticed by the company to be invalid or to have terminated.

116. RESOLUTION BY CIRCULATION

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary Papers, if any, to all the Directors or to all the Members of the Committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

117. BORROWING POWERS

Subject to the provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(a) accept or renew deposits from Shareholders;

(b) borrow money by way of issuance of Debentures;

(c) borrow money otherwise than on Debentures;

(d) accept deposits from Shareholders either in advance of calls or otherwise; and

(e) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the



sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves.

Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on Debentures to a committee of Directors or Managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of the Company.

Any bonds, Debentures, debenture-stock or other securities may if permissible in applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

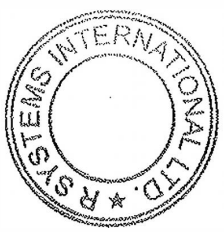
118. MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS

The Board may from time to time and in accordance with the Act, appoint one or more of the Directors to the office of the Managing Director and/ or whole time Directors for such term and subject to such remuneration, terms and conditions as they may think fit in accordance with the applicable provisions of the Act.

The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors in accordance with the provisions of the Act.

The whole time Director or Directors, so appointed shall carry out such functions and have such powers as may be entrusted and/or delegated to him or them by the Board of Directors in consultation with the Managing Director. The whole time Director or Directors shall work under the supervision and control of Managing Director.



If a Managing Director and/or whole time director ceases to hold office as Director, he/ she shall ipso facto and immediately cease to be Managing Director/whole time Director.

The Managing Director shall not be liable to retirement by rotation as long as he holds the office as Managing Director.

The whole time director shall be liable to retirement by rotation as long as he holds office as whole time director.

Subject to the provisions of the Act and to the terms of resolution of the Company in General Meeting or of any Resolution of the Board, the Managing Director shall have effective control of the day to day Management of the Company, under the superintendence, control and direction of the Board. He may, subject to the approval of the Board, have power to do all acts, matters, and things deemed necessary, power or expedient for carrying on the business and concerns of the Company, including power to appoint, suspend and dismiss officers, staff, and workman of the Company and to exercise such powers as are delegated to him by the Board or as may be detailed in the agreement between him and the Company in such matters as incurring capital and revenue expenditure on behalf of the Company, entering into contracts, taking suitable legal actions, operating of bank account, making investment and other subjects.

119. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Subject to the provisions of the Act, a chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer, so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. As long as it is permissible under the relevant laws, an individual may be appointed or reappointed as the chairperson of the Company as well as the Managing Director or chief executive officer of the Company at the same time.

DIVIDEND

120. COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS

The Company in a General Meeting may declare Dividends, but no Dividend shall exceed the amount recommended by the Board.

121. INTERIM DIVIDENDS

Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim Dividends of such amount on such class of shares and at such times as it may think fit.

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122. RESERVE FUNDS

Before recommending any Dividend, the Board may set aside certain amount of profits as reserves, which shall be applied in the manner as may be from time to time decided by the Board. The Board may carry forward the profits without declaring Dividend.

The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

In the event of adequacy or absence of profits in any year, a Company may declare dividend out of surplus subject to the fulfilment of the conditions as specified in the Act.

123. DEDUCTION OF ARREARS

Subject to the Act, the Board may deduct from any Dividend payable to any Members, all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the Shares of the Company.

124. RETENTION OF DIVIDENDS

The Board may retain Dividends payable upon shares in respect of which any person is, under the provisions of Articles hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

125. ADJUSTMENT OF DIVIDENDS AGAINST CALLS

Any General Meeting declaring a Dividend may make a call on the Members as such amount as the meeting fixed, but so that the call on each Member shall not exceed the Dividend payable to him and so that the call be made payable at the same time as the Dividend and the Dividend may, if so arranged between the Company and the Members be set off against the call.

126. RECEIPT OF JOINT HOLDER

Any one of two or more joint holders of a share may give effective receipt for any Dividends, or other moneys payable in respect of such shares.

127. DIVIDEND HOW REMITTED

Any Dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

No Dividends shall bear interest against the Company.

SYSTEMS INTERNATIONAL LTD.

128. TRANSFER OF SHARES AND DIVIDENDS

Subject to the provisions of the Act, any transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

129. UNPAID OR UNCLAIMED DIVIDEND

Where the Company has declared a Dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of Dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank to be called as board may deem fit.

Any money transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investors Education and Protection Fund established under the Act.

No unclaimed or unpaid Dividend shall be forfeited by the Board before the claim becomes barred by law.

All other provisions under the Act will be complied with in relation to the unpaid or unclaimed Dividend.

130. BOOKS, ACCOUNTS AND DOCUMENTS

The Board shall cause to be kept in accordance with the provisions of the Act proper Books of account with respect to:

(a) All sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place;

(b) all sales and purchases of goods by the Company and:

(c) the assets and the liabilities of the Company.

The Books of accounts and other Books and Papers shall be kept at the Registered Office of the Company or subject to the provisions of the Act at such other place or places as the Directors think fit, and shall be open to inspection by the Directors during business hours.

In accordance with the provision of the Act, the Company shall maintain such statutory registers, Books and documents.

The accounts of the Company shall be audited by the auditors appointed as per the provisions of the Act. Subject to the provisions of the Act, the accounts when audited and approved at the Annual General Meeting shall be conclusive.

The Directors shall, subject to the provisions of the Act, from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations the accounts and Books of the Company of any

SYSTEMS INTERNATIONAL LTD.

of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or Books or documents of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

As per the provisions of the Act, Board shall arrange to prepare and place before the Company in the Annual General Meeting, audited Balance Sheet and profit and loss account, copy of which should be sent to all Members entitled thereto

131. INSPECTION

Where under any provisions of the Act or any agreement with the Company, any person, whether a Member of the Company or not is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the business hours on any working day unless otherwise determined by the Company in General Meeting.

In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee as may be prescribed under the Act or other applicable provisions of Law.

SERVICE OF DOCUMENTS AND NOTICE

132. MANNER OF SERVING NOTICE OR DOCUMENT ON THE COMPANY

A document may be served on the Company or an Officer, by sending it to the Company or officer at Corporate Office or Registered Office of the Company by post under a certificate of posting or by Registered Post or by courier service, or by leaving it at the Registered Office or by means of such electronic or other mode, as may be prescribed, subject to where the securities are held with the Depository, the records of the Beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.

133. MANNER OF SERVING NOTICE ON MEMBERS

A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to any Member either personally or by sending it by post or by registered post or speed post or by courier or by delivering at his office to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him or by such electronic or other mode as may be prescribed. Where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs. The Company shall use the records provided by the Depository for service notice on Members either personally or by sending it by post or by registered post or speed post or by courier or by delivering at his office to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him



to the Company for the service of notice to him or by such electronic or other mode as may be prescribed.

All notices shall, with respect to Shares held by Persons jointly, be given to such Person who is named as first holder in the Register of Members and the notice so given shall be sufficient notice to all the holders of such Share.

Where a document is sent by post:

(a) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a Member has intimated to the Company in advance that documents should be sent to him by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and

(b) Unless the contrary is provided, such service shall be deemed to have been effected:

(i) In the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted; and

(ii) In any other case, at the time at which the letter would be delivered in ordinary course of post.

134. MEMBERS TO NOTIFY ADDRESS IN INDIA

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

135. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

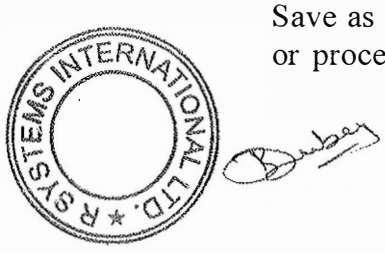
If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbor-hood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

136. NOTICE BY ADVERTISEMENT

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

137. AUTHENTICATION OF DOCUMENTS

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a



Director, the Managing Director, the whole time / executive Director, the Manager, the Chief Financial Officer, the Secretary or an authorised Officer of the Company.

138. WINDING UP

Subject to the provisions of the Act and rules made thereunder:

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

139. INDEMNITY

Subject to the provisions of the Act, the Directors, key managerial person, auditors or every other Officer for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective office of trust, except such (if any) as they shall incur or sustain by or through their own willful neglects or defaults respectively and no such Officer or trustee shall be answerable for the Acts, repairs, neglects or defaults of any other Officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any bankers or other Persons with whom any monies of effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency, deficiency of any security upon which any monies of the Company shall be invested for any other loss or damage due to any such causes as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such Officer or trustee.

140. SECRECY CLAUSE

No Member shall be entitled to inspect the Company's works without the permission of the Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may

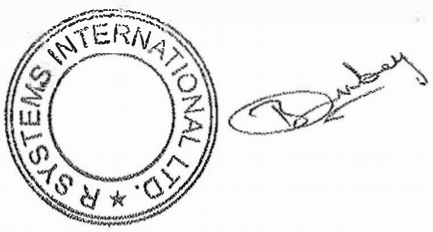
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be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director will be inexpedient in the interest of the Members of the Company to communicate to the public.

141. GENERAL POWER

Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein.

If pursuant to the approval of these Articles, if the Act requires any matter any matter previously requiring a Special Resolution is, pursuant to such amendment, required to be approved by an Ordinary Resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an Ordinary Resolution without having to give effect to the specific provision in these Articles requiring a Special Resolution to be passed for such matter.



PART B

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms and expressions when used with the first letter capitalized shall throughout these Articles have the meanings assigned to them in this Article 1.1, unless the context expressly or by necessary implication requires otherwise. In addition to this Article 1.1, certain terms and expressions are defined elsewhere in these Articles, and whenever such terms are used in these Articles, they shall throughout these Articles have their respective defined meanings, unless the context expressly or by necessary implication otherwise requires.

"**Act**" means the Companies Act, 2013, and rules, notifications, circulars enacted thereunder, including any statutory amendment or re-enactment thereof;

"**Affiliate**" with respect to any Person (the "**Subject Person**") means: (i) in case of any Subject Person, other than a natural Person, any other Person that, either directly or indirectly through 1 (one) or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person; and (ii) in case of any Subject Person that is a natural Person, shall include a Relative of such Subject Person and includes any Person Controlled by such Relative;

"**Agreement**" shall mean the Shareholders Agreement executed between the Company, the Promoter and the Incoming Shareholders concurrently with the filing of the first motion petition with the NCLT in respect of the Merger Scheme;

"**Applicable Foreign Exchange Laws**" means the (a) Foreign Exchange Management Act, 1999, including, rules, regulations, notifications, circulars, master circulars, master directions issued thereunder from time to time; (b) extant consolidated policy and the press notes thereto on foreign direct investment in India issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time; and (c) Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (and the amendments notified thereto from time to time), as may be in force, amended, modified, enacted or revoked from time to time;

"**Applicable Laws**" or "**Laws**" includes (but is not limited) all applicable national, supranational, provincial, local statutes, enactments, laws, acts of legislature, ordinances, bye-laws, rules, regulations, notifications, binding guidelines, binding policies, binding directions, binding directives, approvals of Governmental Authority, judgments, decrees, injunctions, writs or orders of any judicial or quasi-judicial authority, statutory and regulatory authority, as may be in force and effect and shall include Applicable Foreign Exchange Laws;

"**Arbitration Board**" shall have the meaning ascribed to such term in Article 6.2(c);

"**Board**" means the board of Directors of the Company, as constituted from time to time;

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"**Business Day**" means a day on which scheduled banks are open for normal banking transactions, other than a Saturday or Sunday in New Delhi;

"**Claimant**" shall have the meaning ascribed to it in Article 6.2(c);

"**Closing Date**" shall mean July 3, 2023;

"**Company Group**" shall mean the Company and its Subsidiaries, from time to time;

"**Control**" including, with its correlative meanings, the terms "**Controlled by**" and "**under common Control**", means direct or indirect, either acting individually or acting in concert with other Persons, whether by way of shareholding or voting rights or management rights or contracts: (i) the acquisition or ownership or control of more than 50% (fifty per cent) of the voting rights or of the issued share capital of a Person; or (ii) the right to appoint and/or remove all or the majority of the members on the Board of Directors or other governing body; or (iii) the ability to control the management or policy decisions of such Person;

"**Defaulting Incoming Shareholder**" shall have the meaning ascribed to it in Article 5.1;

"**Director**" means a director appointed to the Board from time to time;

"**Dispute**" shall have the meaning ascribed to it in Article 6.2(a);

"**Effective Date**" shall mean the effective date as defined under the Merger Scheme. Any reference in these Articles to "**upon the Merger Scheme becoming effective**" or "**effectiveness of the Merger Scheme**" or "**upon the Merger Scheme coming into effect**" shall mean the Effective Date;

"**Encumbrance**" shall mean any: (a) any interest, mortgage, charge (whether fixed or floating), pledge, equitable interest, liens (statutory or otherwise), hypothecation, trust, assignment, title retention, or security interest of any kind, including securing or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to that of granting of security under Applicable Law; (b) any voting agreement, interest, option, right of first offer, refusal, call right, put right, tag along right, drag along right, or any restriction on the use, exercise of any attribute of ownership, or any right of set off or transfer restriction in favour of any Person; (c) as to a Person's interest in any property, an adverse claim as to title, possession or use to such Person's interest (including any easements); and (d) an agreement to create any of the foregoing, and "**Encumber**" shall be construed accordingly;

"**Entitlement Decision Notice**" has the meaning ascribed to such term in Paragraph 3(b) of **Schedule 2** of Part B of these Articles;

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"**Equity Shares**" means equity shares of the Company, from time to time, having a par or nominal value of INR 1 (Indian Rupee One);

"**Event of Default**" has the meaning ascribed to it in Article 5.1;

"**Event of Default Notice**" has the meaning ascribed to it in Article 5.1;

"**Governmental Authority**" shall mean the Government of India, Government of any relevant state and any ministry, department, board, agency, corporation, commission or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government under the direct or indirect control of the Government of India, or any of the relevant state governments , or both, any political sub-division of any of them including any court or the regulatory commissions or tribunal or judicial or quasi-judicial body in the Republic of India;

"**GST**" shall mean the goods and services tax under the Applicable Law;

"**Identified Incoming Shareholders**" shall mean Kalpak Shah and Chirag Jog;

"**Incoming Shareholders**" shall mean the Persons listed in **Schedule 1** of Part B of these Articles collectively, and the term "**Incoming Shareholder**" shall mean any of them (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to include their respective legal heirs/successors, administrators and permitted assigns);

"**Incoming Shareholder Confirmation Notice**" shall have the meaning ascribed to it in Article 4.2(e);

"**Incoming Shareholder Representative**" shall have the meaning ascribed to it in Article 8.1(a);

"**Incoming Shareholder ROFO Securities**" shall have the meaning ascribed to it in Article 4.2(a);

"**Incoming Shareholder Securities**" shall have the meaning ascribed to it in Article 4.1(a);

"**INR**" shall mean Indian Rupees, the lawful currency of the Republic of India;

"**Lock-In Period**" shall have the meaning ascribed to it in Article 4.1(b);

"**Merger Scheme**" shall mean the scheme of amalgamation filed by the Company, Velotio and Scaleworx before the NCLT, to effectuate the merger of Velotio and Scaleworx into the Company;

"**NCLT**" shall mean the jurisdictional National Company Law Tribunal;

"**Party**" shall mean a party to the Agreement, and collectively "**Parties**";

"**Person**" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, joint

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venture, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

"**Promoter**" shall mean BCP Asia II Topco II Pte. Ltd., a private limited company duly incorporated under the laws of Singapore, having its registered office at 77, Robinson Road, #13-00, Robinson 77, Singapore – 068896;

"**Promoter ROFO**" shall have the meaning ascribed to it in Article 4.2(a);

"**Promoter ROFO Acceptance Notice**" shall have the meaning ascribed to it in Article 4.2(b);

"**Promoter ROFO Acceptance Validity Period**" shall have the meaning ascribed to it in Article 4.2(b);

"**Promoter ROFO Period**" shall have the meaning ascribed to it in Article 4.2(b);

"**Promoter ROFO Price**" shall have the meaning ascribed to it in Article 4.2(b);

"**Related Disputes**" shall have the meaning ascribed to it in Article 6.2(k);

"**Relative**" shall have the meaning ascribed to it in Section 2(77) of the Act;

"**Representative Change Notice**" has the meaning ascribed to such term in Article 8.3;

"**Respondent**" shall have the meaning ascribed to it in Article 6.2(c);

"**RoC**" shall mean the jurisdictional Registrar of Companies;

"**ROFO Notice**" shall have the meaning ascribed to it in Article 4.2(a);

"**ROFO Closing Period**" shall have the meaning ascribed to it in Article 4.2(e);

"**RSIL Carry Forward Incentive Pool**" shall have the meaning ascribed to it in Article 2.1(b);

"**RSIL Carry Forward Incentive Pool Terms**" shall have the meaning ascribed to it in Article 2.2(a);

"**RSIL OCRPS**" shall mean the optionally convertible redeemable preference shares issued by the Company to the Incoming Shareholders pursuant to Clause 6.5 of the Velotio SHA, with the terms and conditions as set out in **Schedule 2** of Part B of these Articles;

"**Scaleworx**" shall mean Scaleworx Technologies Private Limited, a private limited company incorporated under the Act and under the laws of India, having corporate identification number U72900DL2020PTC434013 and its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi, 110019;



"**Securities**" means Equity Securities, RSIL OCRPS or other securities of the Company of any class or nature and each of them shall be referred to as a "**Security**";

"**Shareholder**" shall mean individually, the Incoming Shareholders or the Promoter, and collectively, "**Shareholders**";

"**SIAC Rules**" shall have the meaning ascribed to it in Article 6.2(b);

"**Subsidiary**" with respect to Company, has the meaning given to the term under Section 2(87) of the Act;

"**Tax**" shall mean all forms of taxation, duties (including stamp duties), levies, and charges, whether direct or indirect, including corporate income tax, buy-back distribution tax, withholding tax, GST, stamp duties, value added tax, service tax, entry tax/octroi duty, customs and excise duties and other legal transaction taxes, dividend distribution tax, capital gains tax, taxes payable as a representative assessee, interest, penalties, surcharge, cess, fees, land taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local law or regulation and relating to them, due, payable, levied, imposed upon or claimed to be owed under the Applicable Law;

"**Third Party**" means any Person who is not a party to the Agreement and is not an Affiliate of a Party;

"**Transfer**" means to directly or indirectly sell, assign, transfer, pledge, gift, Encumber in any manner, create a security interest in or lien on, place in trust (voting or otherwise), place in trust (voting or otherwise) exchange, or transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;

"**Velotio**" shall mean Velotio Technologies Private Limited, a private limited company duly incorporated under the laws of India, bearing corporate identification number U72100DL2016PTC434014 and having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi, 110019;

"**Velotio Incentive Pool**" shall have the meaning ascribed to it in Article 2.1(a);

"**Velotio Incentive Pool Terms**" shall mean the terms and conditions of the Velotio Incentive Pool determined in accordance with Clause 3.2 of the Velotio SHA;

"**Velotio SHA**" shall mean the Shareholders Agreement dated 13 August 2024, entered into by the Company, Velotio and the Incoming Shareholders; and

"**Vesting Factor**" shall have the meaning ascribed to it in the Agreement; and

2. INCENTIVE POOL

2.1 The Parties agree and acknowledge that:

(a) pursuant to the Velotio SHA, the Identified Incoming Shareholders and the Company have put in place an incentive pool in Velotio for an aggregate

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sum of INR 206,500,000 (Indian Rupees Two Hundred Six Million and Five Hundred Thousand) ("**Velotio Incentive Pool**") on July 03, 2023 as per the Velotio Incentive Pool Terms; and

(b) on and from the Effective Date, the unused portion of the Velotio Incentive Pool shall be carried forward to the Company's books (such unused portion being the "**RSIL Carry Forward Incentive Pool**").

2.2 In furtherance of Article 2.1(b) above,

(a) the terms of the RSIL Carry Forward Incentive Pool ("**RSIL Carry Forward Incentive Pool Terms**") shall be determined by the Board such that they are no less beneficial than the Velotio Incentive Pool Terms for the beneficiaries thereto, provided that the prior written consent of any one of the Identified Incoming Shareholders shall be required for (i) establishment of the RSIL Carry Forward Incentive Pool in accordance with this Article 2, including the beneficiaries of the RSIL Carry Forward Incentive Pool and determination of the RSIL Carry Forward Incentive Pool Terms; (ii) any amendment or modification to the RSIL Carry Forward Incentive Pool Terms; (iii) the cancellation or the withdrawal of the RSIL Carry Forward Incentive Pool; and (iv) reallocation of any unused portion of the RSIL Carry Forward Incentive Pool pertaining to an employee who is no longer in the employment; and

(b) subject to receipt of the prior written consent of one of the Identified Incoming Shareholders in accordance with Article 2.2(a), the Promoter shall cause the Board to create the RSIL Carry Forward Incentive Pool, no later than 45 (forty-five) calendar days from the Effective Date, in accordance with this Article 2 (which shall be effective on and from the Effective Date).

2.3 Subject to Article 2.2(a) above, any unused portion of the RSIL Carry Forward Incentive Pool pertaining to an employee who is no longer in the employment of the Company Group shall be distributed by the Company among the other employees who are beneficiaries of the RSIL Carry Forward Incentive Pool.

3. RSIL OCRPS

3.1 On and from the Effective Date, the Incoming Shareholders shall hold the RSIL OCRPS in the proportion set out in **Schedule 1** of Part B of these Articles and shall be entitled to all the rights attached thereto in accordance with the provisions of the Agreement.

3.2 The terms and conditions of the RSIL OCRPS shall be as set out in **Schedule 2** of Part B of these Articles.

4. TRANSFER OF SECURITIES

4.1 Restrictions on Transfer by Incoming Shareholders

(a) All Securities held by the Incoming Shareholders from time to time ("**Incoming Shareholder Securities**") shall be locked in (i.e., they shall not

be Transferred) except to the extent their transfers are specifically permitted under this Article 4.

(b) The Incoming Shareholders shall not be entitled to Transfer any Security without the prior written consent of the Promoter until the earlier of (a) expiry of 18 (eighteen) months from the Effective Date, or (b) expiry of 36 (thirty-six) months from the Closing Date ("**Lock-In Period**").

(c) Upon expiry of the Lock-In Period, the Incoming Shareholders shall not require the prior written consent of the Promoter for any Transfer of any Securities held by them and shall, subject to Article 4.2 below, be entitled to freely Transfer any and all Securities held by them.

4.2 Promoter's Right of First Offer

If at any time after expiry of 36 (thirty-six) months from the Closing Date, any Incoming Shareholder proposes to Transfer all or part of its Securities to any Third Party, such Incoming Shareholder shall first offer such Securities to the Promoter in the manner set out below:

(a) The Incoming Shareholder shall issue a written notice to the Promoter ("**ROFO Notice**"), setting out the number of Securities the Incoming Shareholder proposes to Transfer ("**Incoming Shareholder ROFO Securities**"). The Promoter shall have the right, but not the obligation, exercisable at its sole discretion to purchase all, but not part of, the Incoming Shareholder ROFO Securities ("**Promoter ROFO**").

(b) If the Promoter elects to exercise the Promoter ROFO, then within 5 (five) Business Days from the date of receipt of the ROFO Notice ("**Promoter ROFO Period**"), the Promoter shall issue a written notice to exercise the Promoter ROFO ("**Promoter ROFO Acceptance Notice**"), and such Promoter ROFO Acceptance Notice shall contain the price ("**Promoter ROFO Price**") at which the Promoter intends to purchase the Incoming Shareholder ROFO Securities and all other material terms on which the Promoter intends to purchase the Incoming Shareholder ROFO Securities; provided that the Promoter ROFO Price shall be in the form of cash, in immediately available funds. The Promoter ROFO Acceptance Notice shall be valid for a period of 5 (five) Business Days from the date of issuance of such notice ("**Promoter ROFO Acceptance Validity Period**").

(c) If the Incoming Shareholder does not receive the Promoter ROFO Acceptance Notice within the Promoter ROFO Period, the Incoming Shareholder shall have the right to Transfer the Incoming Shareholder ROFO Securities at any price to any Third Party.

(d) Upon receipt of the Promoter ROFO Acceptance Notice, the Incoming Shareholder shall Transfer the Incoming Shareholder ROFO Securities (a) to the Promoter at the Promoter ROFO Price and in accordance with all other terms contained in the Promoter ROFO Acceptance Notice or any other terms as mutually agreed between the Incoming Shareholder and the Promoter; or (b) to any Third Party, provided that the price offered by such

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Third Party for the Incoming Shareholder ROFO Securities exceeds the Promoter ROFO Price.

(e) In the event that the Incoming Shareholder accepts, in writing ("**Incoming Shareholder Confirmation Notice**"), the offer made by the Promoter in the Promoter ROFO Acceptance Notice, which acceptance shall be communicated in writing to the Promoter prior to expiry of the Promoter ROFO Acceptance Validity Period, the Incoming Shareholder shall be under an obligation to sell, and the Promoter shall be under an obligation to purchase, the Incoming Shareholder ROFO Securities at the Promoter ROFO Price and other terms mentioned in the Promoter ROFO Acceptance Notice, and the sale and purchase of the Incoming Shareholder ROFO Securities shall be completed within a period of 15 (fifteen) Business Days from the date of the Incoming Shareholder Confirmation Notice or such other date mutually agreed between the Promoter and the Incoming Shareholder, in writing ("**ROFO Closing Period**"). If the sale and purchase of the Incoming Shareholder ROFO Securities are not completed within the ROFO Closing Period for reasons attributable to the Promoter, the Incoming Shareholder shall have the right to Transfer the Incoming Shareholder ROFO Securities to any Third Party.

4.3 Bar on unauthorised Transfers

No Shareholder shall Transfer any Security except to the extent permitted by, and then strictly in accordance with this Article 4. Any other attempt of a Shareholder to Transfer any Security shall be null and void *ab initio* and the Company shall not register any such Transfer of Securities.

4.4 Affiliate Transfers by Promoter

The Promoter shall be entitled to freely transfer its Securities to one or more Affiliates of the Promoter, from time to time, provided that such Affiliates execute a deed of adherence to the Agreement in the form prescribed in Schedule 4 of the Agreement, assuming all the obligations of the Promoter.

5. EVENT OF DEFAULT

5.1 Upon occurrence of a breach of Article 4 or Clause 5 of the Agreement (each such event being an "**Event of Default**"), the Promoter or the Company shall have a right to issue a written notice to such Incoming Shareholder against whom an Event of Default has occurred (each such Incoming Shareholder being "**Defaulting Incoming Shareholder**") stating that an Event of Default has occurred (such notice being an "**Event of Default Notice**").

5.2 Unless an Event of Default is cured to the reasonable satisfaction of the Promoter within 45 (forty-five) days of its occurrence, all rights of all Defaulting Incoming Shareholders under the Agreement shall stand automatically terminated, it being clarified that all obligations of all Defaulting Incoming Shareholder shall (unless the Promoter communicates otherwise in writing) continue in full force and effect and without prejudice to the generality of the foregoing, all stock options or any other long term incentive plan (including stock appreciation rights, cash incentive

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or otherwise) issued to the Defaulting Incoming Shareholder, if any, by the Company Group shall lapse/stand cancelled immediately.

5.3 Notwithstanding anything to the contrary contained in this Article 5, the occurrence of an Event of Default shall in no manner prejudice any Incoming Shareholders' entitlement to the RSIL OCRPS or any rights attached to such RSIL OCRPS under the Agreement vested immediately prior to the occurrence of such Event of Default, which rights shall vest in accordance with Article 3 read with **Schedule 2** of Part B of these Articles.

6. GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION

6.1 Governing Law

The Agreement (including the Dispute resolution pursuant to Article 6.2) shall be governed by, interpreted and construed in accordance with the Applicable Laws of India. Subject to Article 6.2 below, the courts at New Delhi, India shall have exclusive jurisdiction in respect of the Agreement.

6.2 Dispute Resolution

(a) If any dispute, controversy or claim arises out of or in connection with the Agreement, including any questions regarding its breach, existence, validity or termination ("**Dispute**"), the relevant Parties may submit such Dispute to be settled through arbitration in accordance with this Article 6.2.

(b) Such Dispute (to the extent arbitrable) shall be finally settled by binding arbitration in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which SIAC Rules are deemed to be incorporated by reference in this Article 6.2 (except to the extent modified herein).

(c) For the purpose of such arbitration, an arbitration board consisting of 3 (three) arbitrators shall be constituted ("**Arbitration Board**") of which 1 (one) arbitrator shall be appointed by such Party that initiated such arbitration in accordance with this Article 6.2 ("**Claimant**") and 1 (one) arbitrator shall be appointed by the Party against whom such claim has been made ("**Respondent**"). The third arbitrator shall then be jointly appointed by such appointed arbitrators, who shall serve as the chairman of the Arbitration Board.

(d) All arbitration proceedings shall be conducted in English language. The seat and venue of arbitration shall be New Delhi, India.

(e) The Arbitration Board shall decide any Dispute strictly in accordance with the governing law specified at Article 6.1 and the SIAC Rules.

(f) Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under the Agreement, and, during the subsistence of the arbitral proceedings continue to undertake and perform its obligations.

(g) The costs and expenses of the arbitration, including the fees of the third arbitrator on the Arbitration Board, shall be borne equally by each party to the Dispute and each such Party shall pay its own fees, disbursements and other charges of its counsel and the arbitrators nominated by it, except as may be otherwise determined by the Arbitration Board. The Arbitration Board would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the actual payment of such amounts.

(h) Any award made by the Arbitration Board shall be in writing, shall state the reasons for the award and shall be final and binding on each of the Parties that are parties to the dispute. The Parties waive irrevocably any rights to any form of appeal, review or recourse to any state or other judicial authority in so far as such waiver may validly be made.

(i) Nothing shall preclude either Party from seeking interim or permanent equitable or injunctive relief, or both, from any court having jurisdiction to grant the same. The pursuit of equitable or injunctive relief shall not be a waiver of the duty of the Parties to pursue any remedy for monetary damages through the arbitration described at this Article 6.2.

(j) The Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including but not limited to any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions, and any awards) shall not be disclosed beyond the Arbitration Board, the Parties, their counsel and any Person necessary to the conduct of the proceeding, except insofar as:

(i) otherwise required by provisions of Applicable Law from which the Parties cannot derogate; or

(ii) necessary to protect, or pursue, a legal right or to enforce or challenge an award in bona fide legal proceedings before a court or other judicial authority.

(k) Notwithstanding anything to the contrary contained herein, in the event that more than one dispute arises in relation to the same or substantially similar set of facts, controversy or claim ("**Related Disputes**"), the Parties agree that all of the Related Disputes (if capable of being resolved through a single set of arbitral proceedings) shall be resolved in a single arbitral proceeding, and separate arbitral proceedings shall not be initiated with respect to each such dispute. In the event that separate arbitral proceedings are initiated with respect to Related Disputes, it is the intent of the Parties that all such proceedings should be consolidated and resolved by a single arbitral tribunal.

7. ASSIGNMENT

Notwithstanding anything contained in the Agreement, the Promoter may, at its discretion, completely assign all or any of its rights or obligations under the Agreement or these Articles, along with Transfer of Securities (in accordance with



the provisions of the Agreement), to any Person that acquires its Securities in the Company.

8. INCOMING SHAREHOLDER REPRESENTATIVE

8.1 Unless the Promoter and the Incoming Shareholders agree otherwise in writing, and subject to Article 8.3 below, in all matters relating to the Agreement and in all matters dealing with the Company Group in any way, the Parties agree that:

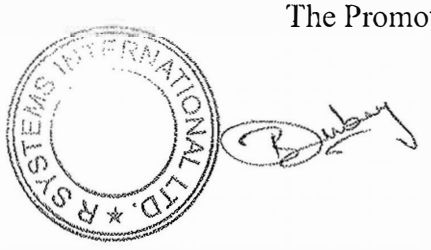
(a) Kalpak Shah ("**Incoming Shareholder Representative**") shall be the sole and exclusive point of contact for all Incoming Shareholders *vis-à-vis* the Promoter;

(b) The Promoter shall be entitled to disregard any communication from any Incoming Shareholder other than from the Incoming Shareholder Representative;

(c) Any communications to, any undertakings of, any waivers from, any consents of, and any agreement with, the Incoming Shareholder Representative shall be deemed to be a communication to, an undertaking of, any waivers from, any consents of, or an agreement with each Incoming Shareholder; and

(d) All decisions and communications of the Incoming Shareholder Representative shall bind each Incoming Shareholder.

8.2 Unless the Promoter and the Incoming Shareholders agree otherwise in writing, and subject to Article 8.3 below, the Incoming Shareholder Representative is hereby authorized and empowered to act for, and on behalf of, any or all of the Incoming Shareholders in connection with any matter necessary for the consummation of the transactions contemplated in the Agreement, including (i) to terminate, amend, waive any provision of or abandon the Agreement; (ii) to act as the representative of the Incoming Shareholders to review and authorize all claims and disputes or question the accuracy thereof; (iii) to negotiate and compromise on their behalf with the Promoter any claims asserted hereunder and to authorize payments to be made with respect thereto; and (iv) in general, to do all things and perform all acts, including executing and delivering all agreements, certificates, receipts, consents, elections, instructions and other documents contemplated by or deemed by the Incoming Shareholder Representative to be necessary or desirable in connection with the Agreement and the transactions contemplated hereby. The Promoter shall be entitled to rely on such appointment and to treat the Incoming Shareholder Representative as the duly appointed attorney-in-fact of each Incoming Shareholder. Unless the Promoter agrees otherwise in writing and subject to Article 8.3 below, any action taken by the Incoming Shareholder Representative pursuant to the authority granted in this Article 8 shall be effective and absolutely binding on each Incoming Shareholder notwithstanding any contrary action of or direction from such Incoming Shareholder. The Promoter in dealing with the Incoming Shareholder Representative may conclusively rely, without inquiry, upon any act of the Incoming Shareholder Representative as the act of the Incoming Shareholders. The Promoter will not have any liability for any action or inaction of the Incoming



Shareholder Representative or for any action or inaction taken by it in reliance upon the instructions or decisions of the Incoming Shareholder Representative.

8.3 Notwithstanding anything to the contrary contained in Article 8.1(b), the Parties agree that in the event Chirag Jog (acting on behalf of Hemant Jog), Pranav Kulkarni or Madhur Nawandar provide a written notice to the Promoter requesting for a change in the Incoming Shareholder Representative for such Incoming Shareholder ("**Representative Change Notice**") and appointing another Incoming Shareholder to act on his/their behalf for all matters or dealings as set out in this Article 8, then on and from the expiry of 72 (seventy two) hours of the receipt of the Representative Change Notice by the Promoter, the Incoming Shareholder Representative shall no longer be authorized to deal with the Promoter and/or the Company Group on behalf of the Incoming Shareholder who has served the Representative Change Notice. For the avoidance of doubt, it is clarified that the Incoming Shareholder Representative shall continue to act for all the other Incoming Shareholders who have not issued a Representative Change Notice.

SCHEDULE 1

LIST OF INCOMING SHAREHOLDERS

Sr. No.	Name of the Incoming Shareholder	Details	Number of RSIL OCRPS to be allotted
1.	Chirag Jog	Address: C504, Karan Celista, Survey No 8, Balewadi, Pune – 411045. Email: chirag.jog@gmail.com	2,328,562
2.	Kalpak Shah	Address: A-701, Kumar Peninsula, Baner-Pashan Link Road, Pune – 411021. Email: kalpak.shah@gmail.com	2,328,562
3.	Madhur Nawandar	Address: C-1004, Kumar Piccadilly, Santhosh Nagar, Tathawade, Pimpri-Chinchwad, Maharashtra – 411057. Email: madhur.nawandar@gmail.com	438,661
4.	Pranav Kulkarni	Address: 7, Champa Srushti Apartment, Sneh Nagar, Dindori Road, Mhasrul, Nashik, Meri Colony, Maharashtra – 422004. Email: pranavcode@gmail.com	17,544
5.	Hemant Jog	Address: A502 Natures Bliss, Westwind Meadows, Riverfront Cruiseway, Makhmalabad, Nashik – 422003. Email: hemjogca@gmail.com	23,752
6.	Samata Shah	Address: A-701, Kumar Peninsula, Baner-Pashan Link Road, Pune – 411021, India. Email: samata.shah@gmail.com	23,752

SCHEDULE 2

TERMS OF THE RSIL OCRPS

1. Face Value

The RSIL OCRPS shall have a face value of INR 1 (Indian Rupee One) each.

2. Term

The period starting from the date of the Effective Date and ending on the last day of the 18th (eighteenth) month after that date shall be called the "**RSIL OCRPS Term**".

3. Conversion or Redemption

(a) At the end of the RSIL OCRPS Term, the RSIL OCRPS shall convert into Equity Shares at the conversion price and in the manner determined in accordance with Paragraph 4 of this **Schedule 2**.

(b) The Company shall, 1 (one) month prior to expiry of the RSIL OCRPS Term, communicate the following to the holders of the RSIL OCRPS by issuing a notice in writing ("**Entitlement Decision Notice**"):

(i) Whether the RSIL OCRPS will be converted into Equity Shares; and

(ii) If the RSIL OCRPS will be redeemed, then the redemption value thereof as determined by the Company (if such value is different from the face value).

It is clarified that the RSIL OCRPS shall be redeemed only in case the applicable "Vesting Factor" is 0% for the purpose of Paragraph 4 of this **Schedule 2** and in no circumstance shall the redemption of an RSIL OCRPS happen at a price higher than its face value.

(c) The holders of the RSIL OCRPS shall be entitled to seek such information and clarifications as may be relevant to the matters set forth in the Entitlement Decision Notice. The Company and the holders shall endeavour, each acting in good faith, to agree on the matters set forth in the Entitlement Decision Notice.

(d) If any holder of an RSIL OCRPS disagrees with the Entitlement Decision Notice, it may commence an arbitration in accordance with Article 6. Thereafter, the conversion or redemption of the RSIL OCRPS shall be subject to the decision, if any, of the Arbitration Board.

(e) If, for any reason whatsoever, the holder of an RSIL OCRPS has not commenced arbitration in accordance with Article 6 within 1 (one) month of the Entitlement Decision Notice, he/she shall be deemed to have accepted the contents of the Entitlement Decision Notice and the Company shall proceed to convert or redeem his/her RSIL OCRPS, as applicable, in accordance with the Entitlement Decision Notice.

(f) The Company shall be responsible to pay all costs and expenses in relation to the issuance of Equity Shares of the Company pursuant to the conversion of the RSIL OCRPS, including any costs pertaining to increasing the authorised capital, any fee payable to the RoC, stamp duty, and/or any Taxes and levies, other than any costs and expenses arising out of arbitration proceedings commended in accordance with Paragraph (d) above, which costs and expenses shall be borne as directed by the Arbitration Board. Any withholding Tax required to be withheld in accordance with Applicable Law on the conversion of the RSIL OCRPS or on the redemption thereof, shall be duly withheld by the Company.

4. Conversion Terms

(a) The conversion ratio of the RSIL OCRPS shall be 1 Equity Share for every RSIL OCRPS issued pursuant to the Merger Scheme, provided that the total Equity Shares received by each RSIL OCRPS holder pursuant to this paragraph 4, shall be subject to the Vesting Factor. To clarify, the conversion ratio shall be:

(1 RSIL OCRPS: 1 Equity Share) * Vesting Factor

(b) All Equity Shares issued upon the conversion of any RSIL OCRPS will: (i) upon issuance and delivery, be duly and validly issued, fully paid and free from all Encumbrances (other than as set out in the Agreement); and (ii) in all respects, rank *pari passu* with other Equity Shares of the Company.

5. Nature

The RSIL OCRPS are non-cumulative optionally convertible and redeemable preference shares. The RSIL OCRPS shall, at all times, rank *pari passu* and without any preference or priority among themselves. The RSIL OCRPS shall be subordinated to liabilities from third party lenders of the Company in respect of third-party indebtedness.

6. Dividend and Liquidation Preference

Each RSIL OCRPS shall carry non-cumulative and non-participating preferential dividend at the rate of 0.0001% (zero point zero zero zero one per cent) per annum on the face value of the RSIL OCRPS in priority to any payment of dividend on Equity Shares. The holders of the RSIL OCRPS shall not have the right to participate in dividend along with the holders of Equity Shares.

The RSIL OCRPS holder shall be responsible for its own Taxes (present or future) on any coupon, paid or accrued. The Company shall deduct withholding Taxes, as per Applicable Law, on the RSIL OCRPS coupon paid to an RSIL OCRPS holder.

In the case of a winding up or repayment of capital, each holder of an RSIL OCRPS shall be entitled to receive the amount of the share capital paid-up thereon without any premium.



7. Transferability

The transferability of the RSIL OCRPS shall be subject to the provisions of the Agreement and Applicable Law.

8. Amendments

Subject to the Act and the Agreement, the rights, privileges and conditions attached to an RSIL OCRPS may not be varied, modified or abrogated in any manner whatsoever other than in accordance with Applicable Law.



R SYSTEMS INTERNATIONAL LIMITED
Corporate Idenity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307
Phones : +91-120-4303500 | Email : rsil@rsystems.com | Regd. Off.: GF-1-A, 6, Devika Tower,
Fax : +91-120-4082699 | www.rsystems.com | Nehru Place, New Delhi-110019

REPORT ADOPTED BY BOARD OF DIRECTORS OF R SYSTEMS INTERNATIONAL LIMITED AT ITS MEETING HELD ON SEPTEMBER 11, 2024 EXPLAINING EFFECT, OF COMPOSITE SCHEME OF AMALGAMATION OF VELOTIO TECHNOLOGIES PRIVATE LIMITED AND SCALEWORX TECHNOLOGIES PRIVATE LIMITED WITH THE COMPANY, ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTORS AND NON-PROMOTER SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, SPECIFYING ANY SPECIAL VALUATION DIFFICULTIES

PRESENT MEMBERS:

Mrs. Ruchica Gupta	:	Chairperson & Non-Executive Independent Director
Mr. Nitesh Bansal	:	Managing Director & Chief Executive Officer
Mr. Animesh Agrawal	:	Non-Executive Director
Mr. Amit Dalmia	:	Non-Executive Director
Mr. Aditya Wadhwa	:	Non-Executive Independent Director
Mr. Kapil Dhameja	:	Non-Executive Independent Director

INVITEES:

1. Mr. Nand Sardana, Chief Financial Officer
2. Mr. Piyush Jain, Senior Manager- Compliance and Secretarial
3. Mr. Ashwin Singh- Sr. Associate – Blackstone
4. Mr. Dhruv Desai- Analyst – Blackstone

IN ATTENDANCE:

Mr. Bhasker Dubey, Company Secretary & Compliance Officer

1. Background

4.1 The draft Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("**Velotio**" or "**Amalgamating Company 1**") and Scaleworx Technologies Private Limited ("**Scaleworx**" or "**Amalgamating Company 2**") (Amalgamating Company 1 and Amalgamating Company 2 collectively referred to as "**Amalgamating Companies**") with R Systems International Limited ("**R Systems**" or "**Company**" or "**Amalgamated Company**") (Amalgamated Company and Amalgamating Companies collectively referred to as "**Companies**") ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Act**") the rules and/ or regulations made thereunder

(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws including the master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*', issued by the Securities and Exchange Board of India ("**SEBI**") on June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time ("**SEBI Master Circular**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), has been placed before the Board of Directors of the Company at their meeting held on September 11, 2024 to consider and approve the said Scheme.

4.2 This report is prepared in terms of Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme, on each class of shareholders, key managerial personnel, promotors and non-promoter shareholders, setting out among other things, the share exchange ratio (defined as "**Swap Ratio**" under the Scheme) and specifying any special valuation difficulties. The same is also required to be circulated along with the notices for convening the shareholders'/ creditors' meetings ordered by the Hon'ble National Company Law Tribunal.

4.3 This report of the Board of Directors of the Company is made after considering and noting all necessary documents, including the following:

(a) Draft Scheme, duly initialled for identification;

(b) Share Valuation Report dated September 10, 2024, 2024 issued by KPMG Valuation Services LLP in the capacity of Registered Valuer ("**Valuation Report**");

(c) Fairness Opinion Report dated September 10, 2024 issued by Corporate Professionals Capital Private Limited, Merchant Banker ("**Fairness Opinion**");

(d) Certificate dated September 11, 2024 issued by M/s. Deloitte Haskins & Sells LLP, confirming the accounting treatment prescribed in the Scheme of Amalgamation is in accordance with Section 133 of the Act and applicable IND AS;

(e) Report of Audit Committee of the Company dated September 11, 2024;

(f) Report of Committee of Independent Directors of the Company dated September 11, 2024.



2. Salient features of the Scheme

2.1 *Inter alia* the following are proposed under the Scheme:

(a) as a first step,

(i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;

(ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS (*as defined in the Scheme*) held by the Existing Shareholders (*as defined in the Scheme*);

(iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("**OCRPS**") to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS;

pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company;

(b) as a second step (after the first step is effective),

(i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;

(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof.

2.2 The "**Appointed Date**" means open of business on April 01, 2024 or such other date as the National Company Law Tribunal, Delhi may allow.

2.3 The "**Effective Date**" means the date on which the certified copies of the order of the Tribunal approving this Scheme have been filed with the Registrar of Companies.



2.4 The Scheme shall be made effective from the Appointed Date and shall be operative from the Effective Date.

2.5 Unless otherwise decided (or waived) by the Companies (through their respective Boards), the coming into effect of this Scheme is conditional upon and subject to:

(a) Stock Exchanges issuing their observation letter/ no objection letter in relation to the Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such observation letter not imposing any material adverse conditions on any party or any material transactions contemplated hereunder;

(b) approval of the Scheme by the requisite majority of the public shareholders of the Amalgamated Company, shareholders of Amalgamating Companies and creditors (where applicable) of all the Companies as required under sections 230 to 232 of the Act, the SEBI Master Circular or as per directions of the Tribunal, subject to any dispensation that may be granted by the Tribunal;

(c) the sanction or approval of the Appropriate Authorities and other sanctions and approvals (as may be required by Applicable Law) in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

(d) the sanctions and orders of the Tribunal, under sections 230 to 232 of the Act being obtained by the Companies and if the sanctions and orders, are subject to certain conditions, then upon the fulfilment of the respective sanctions and orders of the Tribunal;

(e) the certified copies of the order of the Tribunal approving this Scheme having been filed with the RoC; and

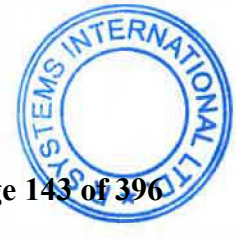
(f) fulfilment of all other conditions precedent as agreed by the Companies in writing, in the manner so agreed between the Companies.

3. Rationale of the Scheme

3.1 The proposed Scheme would enable integration of the business activities of the Companies under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, *inter alia*, have the following benefits:

a. Greater operational and management efficiencies;

b. Revenue and cost synergies including commonality of customers, sales and supply chain opportunities through enhanced geographical reach which will help in gaining market share, optimization of capital, operational (including promotion) expenditure,



leveraging sales and distribution network and simplification of overlapping infrastructure;

c. Streamlining of business operations and decision-making process and greater economies of scale and enhanced geographical reach, resulting in optimal and efficient utilization of capital;

d. Dedicated and specialized management focus on the specific needs of business vertical;

e. Unified approach on customer engagement delivering greater brand value;

f. Unification and streamlining of management of legal and regulatory compliances;

g. Greater economic value for the shareholders of the Amalgamated Company; and

h. Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

4. Effect of the Scheme on equity shareholders (promoters and non-promoter shareholders) of the Company

4.1 The Company has no other class of shareholders, apart from equity shareholders.

4.2 In terms of Part II of the Scheme, upon the cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the Amalgamating Company 1 OCRPS held by the Existing Shareholders shall stand, the share capital of the Amalgamating Company 1 will be cancelled and extinguished without any further act, instrument or deed immediately upon the Scheme coming into effect.

4.3 In consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act, deed, consent or instrument, issue and allot in accordance with the ratio set out in the Scheme, the OCRPS to the Existing Shareholders.

4.4 The OCRPS allotted to the Existing Shareholders shall convert into equity shares of the Company subject to certain vesting conditions, and shall in all respects, rank *pari passu* with other equity shares of the Amalgamated Company.

4.5 Since Amalgamating Company 2 will become wholly owned subsidiary of the Amalgamated Company upon amalgamation of Amalgamating 1 with Amalgamated Company, there will be no issue of shares or discharge of any consideration pursuant to the amalgamation of Amalgamating Company 2 with the Amalgamated Company and upon

the Scheme becoming effective, the share capital of Amalgamating Company 2 shall stand cancelled and extinguished without any further act, instrument or deed.

4.6 While the Scheme will result in the dilution of the percentage shareholding of the current shareholders of the Company upon conversion of the OCRPS into equity shares, the Scheme will be beneficial to all the promoter and non-promoter shareholders of the Company in light of the rationale highlighted in Paragraph 3 above.

4.7 In light of the aforementioned rationale, the Board of Directors of the Company is of the informed opinion that the proposed Scheme is beneficial to the interests of the shareholders of the Company.

4.8 Further, as per the provisions of the SEBI Master Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

5. Effect of the Scheme of Amalgamation on Key Managerial Personnel ('KMPs') of the Company

5.1 The KMPs of the Company shall continue as key managerial personnel of the Company after effectiveness of the Scheme. Hence, there will be no impact on the KMPs of the Company, except to the extent of any shares held by them in the Company, if any (in which case, the effect will be as stated in Paragraph 4 above).

6. Valuation and share exchange ratio

6.1 The Valuation Report was obtained by the Company in terms of the SEBI Scheme Circular to arrive at the Swap Ratio.

6.2 The Valuation Report recommends the following Swap Ratio for issuance and allotment of OCRPS in consideration of amalgamation of the Amalgamating Company 1 into the Amalgamated Company:

"Four Thousand One Hundred and Sixty- Seven (4,167 Only) OCPRS of R Systems of INR 1/- each fully paid up for every One Hundred (100 Only) Velotio OCRPS of INR 1/- each fully paid up."

6.3 No special valuation difficulties were reported by the registered valuer in determination of the Swap Ratio.

6.4 The Fairness Opinion also does not indicate any such difficulties.

6.5 The Valuation Report and the Swap Ratio is accepted by the Board as fair and reasonable.



7. Recommendation of the Board

7.1 In the opinion of the Board of Directors of the Company, the Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company have adopted this report after due deliberations and due consideration of all the terms of the draft Scheme, the information set forth in this report and the papers tabled before it, including the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, as well as the proposed Swap Ratio.

For and on behalf of Board of Directors
R Systems International Limited

Nitesh Bansal
(Managing Director & Chief Executive Officer)
DIN: 10170738
Date: September 11, 2024
Place: Mumbai

REPORT ADOPTED BY BOARD OF DIRECTORS OF VELOTIO TECHNOLOGIES PRIVATE LIMITED AT ITS MEETING HELD ON SEPTEMBER 11, 2024 EXPLAINING EFFECT, OF COMPOSITE SCHEME OF AMALGAMATION OF VELOTIO TECHNOLOGIES PRIVATE LIMITED AND SCALEWORX TECHNOLOGIES PRIVATE LIMITED WITH R SYSTEMS INTERNATIONAL LIMITED, ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTORS AND NON-PROMOTER SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, SPECIFYING ANY SPECIAL VALUATION DIFFICULTIES

PRESENT MEMBERS:

Mr. Nand Lal Sardana	:	Non-Executive Director - Chair
Mr. Avirag Jain	:	Non-Executive Director
Mrs. Ruchica Gupta	:	Non-Executive Independent Director
Mr. Kapil Dhameja	:	Non-Executive Independent Director

1. Background

1.1. The draft Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("**Company**" or "**Velotio**" or "**Amalgamating Company 1**") and Scaleworx Technologies Private Limited ("**Scaleworx**" or "**Amalgamating Company 2**") (Amalgamating Company 1 and Amalgamating Company 2 collectively referred to as "**Amalgamating Companies**") with R Systems International Limited ("**R Systems**" or "**Amalgamated Company**") (Amalgamated Company and Amalgamating Companies collectively referred to as "**Companies**") ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Act**") the rules and/ or regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws including the master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957'*, issued by the Securities and Exchange Board of India ("**SEBI**") on June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time ("**SEBI Master Circular**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), has been placed before the Board of Directors of the Company at their meeting held on September 11, 2024 to consider and approve the said Scheme.

VELOTIO®

1.2. This report is prepared in terms of Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme, on each class of shareholders, key managerial personnel, promotors and non-promoter shareholders, setting out among other things, the share exchange ratio (defined as "**Swap Ratio**" under the Scheme) and specifying any special valuation difficulties. The same is also required to be circulated along with the notices for convening the shareholders'/ creditors' meetings ordered by the Hon'ble National Company Law Tribunal.

1.3. This report of the Board of Directors of the Company is made after considering and noting the following necessary documents:

(a) Draft Scheme, duly initialled for identification;
(b) Share Valuation Report dated September 10, 2024, issued by M/s. KPMG Valuation Services LLP in the capacity of registered valuer ("**Valuation Report**");
(c) Fairness Opinion Report dated September 10, 2024, issued by Corporate Professionals Capital Private Limited, Merchant Banker ("**Fairness Opinion**");
(d) Certificate dated September 11, 2024, issued by M/s. Deloitte Haskins & Sells LLP, confirming the accounting treatment prescribed in the Scheme of Amalgamation is in accordance with Section 133 of the Act and applicable IND AS;

2. Salient features of the Scheme

2.1. *Inter alia* the following are proposed under the Scheme:

(a) as a first step,

(i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;

(ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS (*as defined in the Scheme*) held by the Existing Shareholders (*as defined in the Scheme*);

(iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("**OCRPS**") to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS;

VELOTIO TECHNOLOGIES PRIVATE LIMITED

pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company;

(b) as a second step (after the first step is effective),

(i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;

(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof.

2.2. The "**Appointed Date**" means open of business on April 01, 2024, or such other date as the National Company Law Tribunal, Delhi ("**Tribunal**") may allow.

2.3. The "**Effective Date**" means the date on which the certified copies of the order of the Tribunal approving this Scheme have been filed with the Registrar of Companies.

2.4. The Scheme shall be made effective from the Appointed Date and shall be operative from the Effective Date.

2.5. Unless otherwise decided (or waived) by the Companies (through their respective Boards), the coming into effect of this Scheme is conditional upon and subject to:

(a) Stock Exchanges issuing their observation letter/ no objection letter in relation to the Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such observation letter not imposing any material adverse conditions on any party or any material transactions contemplated hereunder;

(b) approval of the Scheme by the requisite majority of the public shareholders of the Amalgamated Company, shareholders of Amalgamating Companies and creditors (where applicable) of all the Companies as required under sections 230 to 232 of the Act, the SEBI Master Circular or as per directions of the Tribunal, subject to any dispensation that may be granted by the Tribunal;

(c) the sanction or approval of the Appropriate Authorities and other sanctions and approvals (as may be required by Applicable Law) in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

(d) the sanctions and orders of the Tribunal, under sections 230 to 232 of the Act being obtained by the Companies and if the sanctions and orders, are subject to certain conditions, then upon the fulfilment of the respective sanctions and orders of the Tribunal;

(e) the certified copies of the order of the Tribunal approving this Scheme having been filed with the RoC; and

(f) fulfilment of all other conditions precedent as agreed by the Companies in writing, in the manner so agreed between the Companies.

3. Rationale of the Scheme

3.1 The proposed Scheme would enable integration of the business activities of the Companies under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, *inter alia*, have the following benefits:

(a) Greater operational and management efficiencies;

(b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;

(c) Streamlining of business operations and decision-making process and greater economies of scale, resulting in optimal and efficient utilization of capital;

(d) Dedicated and specialized management focus on the specific needs of business vertical;

(e) Unified approach on customer engagement delivering greater brand value;

(f) Unification and streamlining of management of legal and regulatory compliances;

(g) Greater economic value for the shareholders of the Amalgamated Company; and

(h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

4. Effect of the Scheme of Amalgamation on shareholders (promoters and non-promoters) of the Company

4.1 The equity shares of the Company are held by the Amalgamated Company and the Amalgamating Company 1 OCRPS are held by the Existing Shareholders (*as defined under the Scheme*).

4.2 In terms of Part II of the Scheme, upon the cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the Amalgamating Company 1 OCRPS held by the Existing Shareholders, the share capital of the Amalgamating Company 1 will be cancelled and extinguished without any further act, instrument or deed immediately upon the Scheme coming into effect.

4.3 In consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act, deed, consent or instrument, issue and allot in accordance with the ratio set out in the Scheme, the OCRPS to the Existing Shareholders.

4.4 The OCRPS allotted to the Existing Shareholders shall convert into equity shares of the Company subject to certain vesting conditions, and shall in all respects, rank *pari passu* with other equity shares of the Amalgamated Company.

4.5 Since Amalgamating Company 2 is a wholly owned subsidiary of the Amalgamated Company, there will be no issue of shares or discharge of any consideration pursuant to the amalgamation of Amalgamating Company 2 with the Amalgamated Company and upon the Scheme becoming effective, the share capital of Amalgamating Company 2 shall stand cancelled and extinguished without any further act, instrument or deed.

4.6 The Scheme will be beneficial to the Amalgamated Company and the Existing Shareholders in light of the rationale highlighted in Paragraph 3 above.

4.7 In light of the aforementioned rationale, the Board of Directors of the Company is of the informed opinion that the proposed Scheme is beneficial to the interests of the shareholders of the Company.

5. Effect of the Scheme on Key Managerial Personnel ("KMPs") of the Company

5.1 Since the Company will be dissolved on the Scheme becoming effective, the KMPs of the Company shall cease to be KMPs of the Company upon the Scheme becoming effective.

6. Valuation and share exchange ratio

6.1 The Valuation Report recommends the following Swap Ratio for issuance and allotment of OCRPS in consideration of amalgamation of the Amalgamating Company 1 into the Amalgamated Company:

"Four Thousand One Hundred and Sixty- Seven (4,167 Only) OCPRS of R Systems of INR 1/- each fully paid up for every One Hundred (100 Only) Velotio OCRPS of INR 1/- each fully paid."

6.2 No special valuation difficulties were reported by the registered valuer in determination of the Swap Ratio.

6.3 The Fairness Opinion also does not indicate any such difficulties.

6.4 The Valuation Report and the Swap Ratio is accepted by the Board as fair and reasonable.

7. Recommendation of the Board

7.1 In the opinion of the Board of Directors of the Company, the Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company have adopted this report after due deliberations and due consideration of all the terms of the draft Scheme, the information set forth in this report and the papers tabled before it, including the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, as well as the proposed Swap Ratio.

For and on behalf of Board of Directors
Velotio Technologies Private Limited

Nand Lal Sardana
Director
DIN: 09592752

Date: September 11, 2024
Place: NOIDA

REPORT ADOPTED BY BOARD OF DIRECTORS OF SCALEWORX TECHNOLOGIES PRIVATE LIMITED AT ITS MEETING HELD ON SEPTEMBER 11, 2024 EXPLAINING EFFECT, OF COMPOSITE SCHEME OF AMALGAMATION OF SCALEWORX TECHNOLOGIES PRIVATE LIMITED AND VELOTIO TECHNOLOGIES PRIVATE LIMITED WITH R SYSTEMS INTERNATIONAL LIMITED, ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTORS AND NON-PROMOTER SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, SPECIFYING ANY SPECIAL VALUATION DIFFICULTIES

PRESENT MEMBERS:

Mr. Nand Lal Sardana	:	Non-Executive Director - Chair
Mr. Avirag Jain	:	Non-Executive Director

1. Background

1.1. The draft Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("**Velotio**" or "**Amalgamating Company 1**") and Scaleworx Technologies Private Limited ("**Company**" or "**Scaleworx**" or "**Amalgamating Company 2**") (Amalgamating Company 1 and Amalgamating Company 2 collectively referred to as "**Amalgamating Companies**") with R Systems International Limited ("**R Systems**" or "**Amalgamated Company**") (Amalgamated Company and Amalgamating Companies collectively referred to as "**Companies**") ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Act**") the rules and/ or regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws including the master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957'*, issued by the Securities and Exchange Board of India ("**SEBI**") on June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time ("**SEBI Master Circular**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), has been placed before the Board of Directors of the Company at their meeting held on September 11, 2024 to consider and approve the said Scheme.

1.2. This report is prepared in terms of Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme, on each class of shareholders, key managerial personnel, promotors and non-promoter shareholders, setting out among other things, the share exchange ratio (defined as "Swap Ratio" under the Scheme) and specifying any special valuation difficulties. The same is also required to be circulated along with the notices for convening the shareholders'/ creditors' meetings ordered by the Hon'ble National Company Law Tribunal.

1.3. This report of the Board of Directors of the Company is made after considering and noting the following necessary documents:

(a) Draft Scheme, duly initialled for identification;

(b) Certificate dated September 11, 2024 issued by M/s. Gokhale Khedkar & Associates, Chartered Accountants, confirming the accounting treatment prescribed in the Scheme of Amalgamation is in accordance with Section 133 of the Act and applicable IND AS.

2. Salient features of the Scheme

2.1. Inter *alia* the following are proposed under the Scheme:

(a) as a first step,

(i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;

(ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS (*as defined in the Scheme*) held by the Existing Shareholders (*as defined in the Scheme*);

(iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("**OCRPS**") to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS;

pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company;

(b) as a second step (after the first step is effective),

(i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;

(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof.

2.2. The "**Appointed Date**" means open of business on April 01, 2024 or such other date as the National Company Law Tribunal, Delhi ("**Tribunal**") may allow.

2.3. The "**Effective Date**" means the date on which the certified copies of the order of the Tribunal approving this Scheme have been filed with the Registrar of Companies.

2.4. The Scheme shall be made effective from the Appointed Date and shall be operative from the Effective Date.

2.5. Unless otherwise decided (or waived) by the Companies (through their respective Boards), the coming into effect of this Scheme is conditional upon and subject to:

(a) Stock Exchanges issuing their observation letter/ no objection letter in relation to the Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such observation letter not imposing any material adverse conditions on any party or any material transactions contemplated hereunder;

(b) approval of the Scheme by the requisite majority of the public shareholders of the Amalgamated Company, shareholders of Amalgamating Companies and creditors (where applicable) of all the Companies as required under sections 230 to 232 of the Act, the SEBI Master Circular or as per directions of the Tribunal, subject to any dispensation that may be granted by the Tribunal;

(c) the sanction or approval of the Appropriate Authorities and other sanctions and approvals (as may be required by Applicable Law) in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

(d) the sanctions and orders of the Tribunal, under sections 230 to 232 of the Act being obtained by the Companies and if the sanctions and orders, are subject to certain conditions, then upon the fulfilment of the respective sanctions and orders of the Tribunal;

(e) the certified copies of the order of the Tribunal approving this Scheme having been filed with the RoC; and

(f) fulfilment of all other conditions precedent as agreed by the Companies in writing, in the manner so agreed between the Companies.

3. Rationale of the Scheme

3.1 The proposed Scheme would enable integration of the business activities of the Companies under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, *inter alia*, have the following benefits:

(a) Greater operational and management efficiencies;

(b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;

(c) Streamlining of business operations and decision-making process and greater economies of scale, resulting in optimal and efficient utilization of capital;

(d) Dedicated and specialized management focus on the specific needs of business vertical;

(e) Unified approach on customer engagement delivering greater brand value;

(f) unification and streamlining of management of legal and regulatory compliances;

(g) Greater economic value for the shareholders of the Amalgamated Company; and

(h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

4. Effect of the Scheme of Amalgamation on shareholders (promoters and non-promoters) of the Company

4.1 Since Amalgamating Company 2 will become wholly owned subsidiary of the Amalgamated Company upon amalgamation of Amalgamating 1 with Amalagamated Company, there will be no issue of shares or discharge of any consideration pursuant to the amalgamation of Amalgamating Company 2 with the Amalgamated Company and upon the Scheme becoming effective, the share capital of Amalgamating Company 2 shall stand cancelled and extinguished without any further act, instrument or deed.

4.2 The Scheme will be beneficial to the Amalgamated Company in light of the rationale highlighted in Paragraph 3 above.

4.3 In light of the aforementioned rationale, the Board of Directors of the Company is of the informed opinion that the proposed Scheme is beneficial to the interests of the shareholder of the Company.

5. Effect of the Scheme of Amalgamation on Key Managerial Personnel ('KMPs') of the Company

5.1 There is no KMP in the Company, hence this requirement is not applicable.

6. Valuation and share exchange ratio

6.1 Since Amalgamating Company 2 will become a wholly owned subsidiary of the Amalgamated Company upon amalgamation of Amalgamating 1 with Amalagamated Company, there will be no issue of shares or discharge of any consideration pursuant to the amalgamation of Amalgamating Company 2 with the Amalgamated Company.

6.2 Accordingly, the requirement of any valuation and related share exchange ratio are not applicable.

7. Recommendation of the Board

7.1 In the opinion of the Board of Directors of the Company, the Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company have adopted this report after due deliberations and due consideration of all the terms of the draft Scheme, the information set forth in this report and the papers tabled before it, including the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, as applicable.

For and on behalf of Board of Directors
Scaleworx Technologies Private Limited





Nand Lal Sardana
Director
DIN: **09592752**

Date: September 11, 2024
Place: NOIDA

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The Board of Directors,
R Systems International Limited
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019, India

The Board of Directors,
Velotio Technologies Private Limited
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019, India

Date: 10 September 2024

Re: Recommendation of Optionally Convertible Redeemable Preference Share ("OCRPS") Swap Ratio for the composite scheme of amalgamation of Velotio Technologies Private Limited, Scaleworx Technologies Private Limited and R Systems International Limited

Dear Madams/Sirs,

We refer to our engagement letter dated 03 September 2024 and addendum to the engagement letter dated 09 September 2024 (hereinafter collectively referred as "Engagement Letter" or "LoE") whereby R Systems International Limited ("R Systems" or "Amalgamated Company") and Velotio Technologies Private Limited ("Velotio" or "Amalgamating Company 1") (collectively referred as the "Clients" or the "Companies" or the "Businesses" or "you" or "your" and individually referred to as the "Client" or the "Company" or the "Business") have requested KPMG Valuation Services LLP (hereinafter referred to as "KPMG" or "Valuer" or "us" or "we") to carry out a valuation and recommend Optionally Convertible Redeemable Preference Share ("OCRPS") Swap Ratio in relation to composite scheme of amalgamation of Velotio Technologies Private Limited and Scaleworx Technologies Private Limited ("Scaleworx" or "Amalgamating Company 2") with R Systems International Limited.

BACKGROUND OF THE COMPANIES

R Systems International Limited is a public limited company incorporated on May 14, 1993, under the Companies Act, 1956, having registration number L74899DL1993PLC053579 and having its registered office at New Delhi, India. R Systems is engaged in the business of digital product engineering, designing and developing chip-to-cloud software products, platforms, and digital experiences.

The equity shares of R Systems International Limited are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

Velotio Technologies Private Limited is a private limited company incorporated under the Companies Act 2013, having registration number U72100DL2016PTC434014 and having its registered office at New Delhi, India. Velotio is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services. As on 3 July 2023, R Systems has acquired 100 per cent equity shares in the Velotio. Further, Velotio has issued certain Optionally Convertible and Redeemable Preference Shares ("OCRPS") to certain individuals.

Scaleworx Technologies Private Limited is a private limited company incorporated under the Companies Act 2013, having registration number U72900DL2020PTC434013, and having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019, India. Scaleworx is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services and is wholly owned subsidiary of Velotio.

KPMG Valuation Services LLP, an Indian limited liability partnership and a member firm of KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

KPMG Valuation Services (a partnership firm with Registration No. 414) converted into Limited Liability partnership with LLP Registration No. AAP-2732, with effect from May 13, 2019

Registered Office:
8th Floor, Tower C, Building No. 10, DLF Cyber City, Phase II, Gurugram- 122002 India

KPMG

SCOPE AND PURPOSE OF THIS REPORT

As per the draft Composite Scheme of Amalgamation between R Systems International Limited – Amalgamated Company and Velotio Technologies Private Limited – Amalgamating Company 1 and Scaleworx Technologies Private Limited – Amalgamating Company 2, We understand that the management of R Systems and Velotio (collectively referred as "Managements" and individually referred as "Management") are contemplating to:

As First Step ("Proposed Transaction" or "Transaction"):

(i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;

(ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS ("Velotio OCRPS") held by the certain individuals ("Existing Shareholders" as defined in the draft Composite Scheme of Amalgamation);

(iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("**OCRPS**") to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS; and

Pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company

As Second Step (after first step being effective):

(i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;

(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing; and

(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(iv) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961.

In regard to the First Step or the Proposed Transaction, R Systems and Velotio has appointed us as a Registered Valuer under the provision of Section 230 to 232 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and, including the applicable circulars, rules and regulations thereunder as in force for the time being (collectively "the Act"). Clients have appointed us to render our professional services by way of submitting a report recommending the Swap Ratio for the Proposed Transaction.

In consideration thereof, R Systems will issue its OCRPS to the Velotio OCRPS holders (referred as "Swap Ratio"), in the event of the Proposed Transaction.

KPMG Valuations Services LLP

In this connection, the Clients have requested us to render our professional services by way of carrying out a valuation of R Systems and Velotio (respectively on consolidated basis) and submit a report recommending the Swap Ratio for the Proposed Transaction, on a going concern basis as on 30 June 2024 ("Valuation Date") (the "Services") for the consideration of the Board of Directors (including audit committees, if applicable) of the Clients in accordance with relevant laws, rules and regulations. To the extent mandatorily required under applicable laws of India, this report maybe produced before the judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Transaction.

The scope of our Services is to conduct a valuation (not an absolute valuation) of R Systems and Velotio (respectively on consolidated basis) and recommend Swap Ratio for the Proposed Transaction.

We have been provided with the limited review consolidated financials of R Systems and consolidated Velotio financials prepared based on the standalone audited financials of Velotio, limited review standalone financials of Scaleworx and limited review consolidation adjustments as discussed below. We have considered financial information up to 30 June 2024 (the "Valuation Date") in our analysis and made adjustments for facts made known to us till the report date, including taking into consideration current market parameters, which will have a bearing on the valuation analysis. The Managements have informed us that they do not expect any events which are unusual or not in normal course of business up to the effective date of the Proposed Transaction, other than the events specifically mentioned in this report. We have relied on the above while arriving at the Swap Ratio for the Proposed Transaction.

This report dated 10 September 2024 is our deliverable in respect of our recommendation of the Swap Ratio for the Proposed Transaction.

This report and the information contained herein is absolutely confidential. The report will be used by the Clients only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our report cannot be used or relied by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Clients) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to the Valuer. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

The report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of the Clients. Without limiting the foregoing, we understand that the Client/(s) may be required to submit the report to or share the report with their professional advisors, shareholders, merchant bankers providing fairness opinion on the Swap Ratio and regulatory authorities, in connection with the Proposed Transaction (together, "Permitted Recipients"). We hereby give consent to the disclosure of the report to any of them, subject to the Clients ensuring that any such disclosure shall be subject to the condition and understanding that:

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- it will be the Clients' responsibility to review the report and identify any confidential information that it does not wish to or cannot disclose;
- we owe responsibility only to the Clients that have engaged us and nobody else, and to the fullest extent permitted by law;
- We do not owe any duty of care to anyone else other than the Clients and accordingly that no one other than the Clients is entitled to rely on any part of the report;
- We accept no responsibility or liability towards any third party (including, the Permitted Recipients) to whom the report may be shared with or disclosed or who may have access to the report pursuant to the disclosure of the report to the Permitted Recipients. Accordingly, no one other than the Clients shall have any recourse to us with respect to the report;
- We shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Clients or to whom the Clients may disclose or directly or indirectly permit the disclosure of any part of the report and that by allowing such disclosure We do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this valuation report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Boards of Directors of the Clients.

This report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

DISCLOSURE OF INTEREST/ CONFLICT

- KPMG is not affiliated to the Clients in any manner whatsoever.
- KPMG does not have a prospective interest in the Businesses/ Companies which is the subject of this report.
- KPMG's fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this report.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information shared with us during the course of the engagement:

- Considered the draft Composite Scheme of Arrangement ("Scheme") for the Proposed Transaction;
- Considered audited consolidated financials of the R Systems for financial year ending 2021, 2022 & 2023 and limited review consolidated financials of the R Systems for the six-month period ended 30 June 2024;
- Considered standalone audited financials of Velotio for the three-month period ended 30 June 2024, limited review standalone financials of Scaleworx for the three-month period ended 30 June 2024;

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- Considered audited financials of Velotio and Scaleworx for financial year ending March 24.
- Consolidated financial projections of Velotio for the period 01 July 2024 to 31 March 2032 and R Systems for the period 01 July 2024 to 31 December 2031, which the Management believes to be its best estimates of the future operating performance;
- Number of equity shares and OCRPS of the Companies as on the Valuation Date and the number of equity shares and OCRPS on a fully diluted basis as at the date of this report;
- Number of Restricted Stock Units ("RSUs") of R Systems as on the Valuation Date and as at the date of this report;
- Discussion with the Managements of the Companies in connection with the operations of the respective Companies, past and present activities, future plans and prospects, share capital and shareholding pattern of the Companies as of Valuation Date and report date and any such information which is known and available as at the report date.
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Companies. We have not independently verified the accuracy or timeliness of the same; and
- Other relevant information and documents for the purpose of this engagement provided through emails or during discussion.

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Managements and representatives of the Companies. The Clients have been provided with the opportunity to review the draft report (excluding the recommended Swap Ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The Services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its content, and the results herein are specific to the purpose of valuation and the Valuation Date mentioned in the report and agreed as per the terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the Swap Ratio for the Proposed Transaction as on the Valuation Date. We have considered only circumstances existing at the Valuation Date and events occurring up to the Valuation Date. Events and circumstances may have occurred since the Valuation Date concerning the financial position of the Companies or any other matter and such events or circumstances might be considered material by the Companies or any third party. We have taken into account, in our valuation analysis, such events and circumstances occurring after the Valuation Date as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgement. Further, we have no responsibility to update the report for any events and circumstances occurring after the date of the report. Our valuation analysis was completed on a date subsequent to the Valuation Date and accordingly we have taken into account such valuation

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Page 5 of 14

parameters and over such period, as we considered appropriate and relevant, up to a date close to such completion date.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information received from the Companies till the report date and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). You acknowledge and agree that you have the final responsibility for the determination of the Swap Ratio of OCRPS at which the Proposed Transaction shall take place and factors other than our Valuation report will need to be taken into account in determining the Swap Ratio; these will include your own assessment of the Proposed Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our engagement, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as may be applicable and available, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available, sourced from subscribed databases and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic/ investigation services and does not include verification or validation work. In accordance with the terms of our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical and projected financial information, if any, provided to us regarding the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the

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audited/ unaudited balance sheets of the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest limited review balance sheets remain intact as of the report date. No investigation of the Companies'/ subsidiaries claims to title of assets has been made for the purpose of this report and the Companies'/ subsidiaries claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Transaction with the provisions of any law/ standards including companies, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws/ standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Transaction.

Our report is not should it be construed as our recommending the Proposed Transaction or anything consequential thereto/ resulting therefrom. This report does not address the relative merits of the Proposed Transaction as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies/ their shareholders/ creditors regarding whether or not to proceed with the Proposed Transaction shall rest solely with them. We express no opinion or recommendation as to how the shareholders/ creditors of the Companies should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Transaction. This report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement/ consummation of the Proposed Transaction. Our report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

We express no opinion on the achievability of the forecasts, if any, relating to the Companies/ their subsidiaries/ associates/ joint ventures/ investee companies/ their businesses given to us by the Managements. The future projections are the responsibility of the respective management of the Companies. The assumptions used in their preparation, as we have been explained, are based on their present expectation of both – the most likely set of future business events and circumstances and the respective management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on information provided by the Companies in that regard.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Transaction, without our prior written consent.

This valuation report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

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KPMG

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information, and clarifications regarding past financials performance of the Companies, their subsidiaries and associates, as applicable;
- Obtained data available in public domain;
- Undertook high level industry analysis and research based on publicly available market data;
- Discussions (over call/ emails/ conferences) with the Management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology(ies) as appropriate;
- Determined the Swap Ratio based on the selected methodology for Proposed Transaction;
- For the purpose of arriving at the valuation of the Companies we have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

SHARE CAPITAL DETAILS OF THE COMPANIES

R Systems International Limited ("R Systems")

As at 30 June 2024 and the report date, the paid-up equity share capital of R Systems is INR 118.3 million consisting of 118,303,445 equity shares of face value of INR 1/- each fully paid up. The shareholding pattern of R Systems is as follows:

Category	No of equity shares	% shareholding
Promoters	61,433,005	51.9
Public	56,870,440	48.1
Total	118,303,445	100.0

Note: We have been guided by the management to consider dilution impact of RSU basis their existing vesting schedule and conditions expected to be fulfilled. Accordingly, we have considered 121,180,223 as fully diluted shareholding for the purpose of our analysis.

Velotio Technologies Private Limited ("Velotio")

As at 30 June 2024 and the report date, the paid-up equity share capital of Velotio is INR 0.1 million consisting of 110,813 equity shares of face value of INR 1/- each fully paid up and Velotio OCRPS is INR 0.1 million consisting of 123,850 Velotio OCRPS of face value of INR 1/- each fully paid up. The shareholding pattern of Velotio is as follows:

Category	No. of equity shares	% Shares	% Diluted shareholding
R Systems International Limited	110,813	100.0	66.6
Total	110,813	100.0	66.6

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Category	No. of Velotio OCRPS	% Velotio OCRPS	Diluted Equity Shares	% Diluted shareholding
Kalpak Shah	55,881	45.1	25,096	15.1
Chirag Jog	55,881	45.1	25,096	15.1
Madhur Nawandar	10,527	8.5	4,728	2.8
Pranav Kulkarni	421	0.3	189	0.1
Samata Shah	570	0.5	256	0.2
Hemant Jog	570	0.5	256	0.2
Total	123,850	100.0	55,621	33.4

As per the guidance of the Management and basis the Share Purchase Agreement outlining the conversion terms of Velotio OCRPS, we understand that Velotio OCRPS are convertible into equity shares of Velotio as per the conversion ratio of 0.45:1. Accordingly, 123,850 Velotio OCRPS are equivalent to 55,621 equity shares of Velotio on a fully diluted basis resulting into a 33.4 per cent equity stake in Velotio.

APPROACH AND METHODOLOGY – BASIS OF TRANSACTION

The Scheme contemplates amalgamation of Velotio into R Systems wherein equity shares held by R Systems in Velotio will get cancelled and and the Velotio OCRPS currently held by certain individuals in Velotio will get exchanged in lieu of OCRPS of R systems (preferentially allotted) having similar time and performance terms, which will be convertible at 1:1 to equity shares of R Systems, R Systems shall issue its OCRPS to such shareholders under the provisions of Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

Arriving at the Swap Ratio for the purposes of an arrangement such as the Proposed Transaction, would require determining the relative values of Companies/ undertaking and of their OCRPS, shares and securities. These values are to be determined independently but on a relative basis, and without considering the effect of the arrangement.

BASIS OF VALUE

The report has been prepared on the basis of "Fair Value" as at Valuation Date. The generally accepted definition of "Fair Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

PREMISE OF VALUE

The report has adopted "Going Concern Value" as the premise of value in the given circumstances. The generally accepted definition of Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

We have carried out the valuation in accordance with the principles laid in the ICAI Valuation Standards/ International Valuation Standards, as applicable to the purpose and terms of this engagement.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the value of OCRPS of a company, which can be considered in

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the present valuation exercise, to the extent relevant and applicable, to arrive at the Swap Ratio for the purpose of the Proposed Transaction, such as:

- Market Approach - Market Price Method; Comparable Companies Multiples (CCM) Method
- Income Approach - Discounted Cash Flow (DCF) Method
- Asset Approach – Net Asset Value (NAV) Method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Asset Approach: Under the asset approach, the Net Asset Value (NAV) method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, interalia, value of surplus/ non-operating assets.

Income Approach: Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under DCF method, the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity – Free Cash Flows to Firm (FCFF) technique; This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management of the Companies. While carrying out this engagement, we have relied on historical information made available to us by the Management of the Companies and the projected financials for future related information. Although we have read, analyzed and discussed the Management Business Plan for the purpose of undertaking a valuation analysis, we have not commented on the achievability of the assumptions/ projections provided to us save for satisfying



ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment. We have assessed and evaluated the reasonableness of the projections based on procedures such as analyzing industry data, historical performance, expectations of comparable companies, analyst reports etc.

Market Approach: Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- **Market Price Method:** Under this method, the value of shares of a company is determined by taking the average of the market capitalisation of the equity shares of such company as quoted on a recognised stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger/ demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary/ preferential issues/ open offer in the shares of the company available in the public domain.

- **Comparable Companies Multiples (CCM) Method:** Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

The valuation approaches/ methods used, and the values arrived at using such approaches/ methods have been tabled in the next section of this report.

BASIS OF EXCHANGE RATIO

The basis of the Proposed Transaction would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the respective Valuer. Though different values have been arrived at under each of the above approaches/ methods, for the purposes of recommending the Swap Ratio it is necessary to arrive at a single value for the shares of the companies involved in a transaction such as the Proposed Transaction. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the Businesses but at their values to facilitate the determination of Swap Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.

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In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g., quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Swap Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Swap Ratio of the OCRPS of R Systems and Velotio OCRPS. The final responsibility for the determination of the Swap Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

The Swap Ratio has been arrived at on the basis of valuation for OCRPS of R Systems and Velotio OCRPS based on the various applicable approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these Companies, having regard to information base, key underlying assumptions and limitations.

We have applied relevant methods discussed above, as considered appropriate, and arrived at the assessment of the values per OCRPS of R Systems and per OCRPS of Velotio. To arrive at the Swap Ratio for the Proposed Transaction, suitable minor adjustments/ rounding off have been done in the values arrived at by us.

VALUER NOTES

For the present valuation analysis, we have considered it appropriate to apply the Income Approach and Market Approach for arriving at the value for the OCRPS of R Systems as well as of Velotio for the purpose of the Proposed Transaction.

Given the nature of the businesses of the Companies and the fact that R Systems and Velotio have provided projected financials for their respective Businesses, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the OCRPS of R Systems and OCRPS of Velotio for the purpose of arriving at the Swap Ratio.

In the present case, the shares of R Systems are listed on BSE and NSE. As mentioned earlier, the OCRPS of R Systems would be convertible into equity shares with a conversion a ratio of 1:1. Thus, the price of equity shares of R Systems can be considered as a proxy for OCRPS value of R Systems. Additionally, the management has confirmed that the terms of R System's OCRPS (to be issued pursuant to this Proposed Transaction) will carry the same conditions for vesting and exercising as the existing OCRPS for Velotio. Further, we understand that there are regular transactions in R Systems's equity shares with reasonable volume. In the circumstances, the share price of R Systems has been considered as suggested in Regulation 164 of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended. Accordingly, higher of the below two methods has been taken for determining the value of R Systems under the market price methodology:

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- the volume weighted average price for 90 trading days (including the report date) from the report date,
- the volume weighted average price for 10 trading days (including the report date) from the report date,

Considering the availability of comparable listed peer set in the businesses carried out by the Velotio, we have applied the Comparable Companies Multiples method under the Market Approach to arrive at the value of the Velotio OCRPS for the purpose of arriving at the Swap Ratio.

In the current analysis, the amalgamation of the Companies is proceeded with on the assumption that they would merge as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book and non-operating/ surplus assets, if any at their values under the Asset Approach. In such a going concern scenario, the earning power, as reflected under the Income/ Market approach, is of greater importance to the basis of amalgamation/ demerger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of the Businesses under the Asset Approach, we have considered it appropriate not to give any weightage to the same in case of R Systems and Velotio.

In light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Swap Ratio for the Proposed Transaction whose computation is as under:

The computation of Swap Ratio as derived by KPMG, is given below:

Valuation Approach	R Systems		Velotio	
	Value per OCRPS (INR)*	Weight	Value per OCRPS (INR)	Weight
(i) Income Approach – DCF Method	509.0	50%	21,008.4	50%
(ii) Market Approach				
Market Price Method	508.7	50%		
Multiples Method			21,394.7	50%
Relative Value per OCRPS	**508.9**	**100%**	**21,201.6**	**100%**
Swap Ratio (Rounded off)	41.67			

**The value per OCRPS of R Systems as per DCF Method has been arrived after considering the dilution impact of the RSUs.*

Note: We have considered valuing both R Systems and Velotio using Income as well as Market Approach. Under Income approach, we have used Discount Cash Flow Method. For Market Approach, we have considered Market Price Method for R Systems, given the share is frequently traded on stock exchanges and Multiples Method for valuing Velotio. While we have calculated value of both R Systems and Velotio using Asset Approach, since the Companies are going concern in nature, we considered it appropriate not to give any weightage to the same in case of R Systems and Velotio.

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RATIO

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Swap Ratio for proposed Transaction:

Four Thousand One Hundred and Sixty-Seven (4,167 Only) OCRPS of R Systems of INR 1/- each fully paid up for every One Hundred (100 Only) Velotio OCRPS of INR 1/- each fully paid up.

Our Valuation report and Swap Ratio is based on the share capital structure of the R Systems and Velotio as mentioned earlier in this report. Any variation in the share capital of the Companies may have material impact on the Swap Ratio.

Respectfully submitted,
For KPMG Valuation Services LLP
Registered Valuer Entity under Companies (Registered Valuers and Valuation) Rules, 2017
IBBI Registration No. IBBI/RV-E//06/2020/115
Asset class: Securities or Financial Assets

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Amit Jain, Partner
IBBI Registration No. IBBI/RV-E/06/2018/10501
Date: 10 September 2024

Details of the Registered Valuer, along with a summary of the valuation methodologies used and the rationale for the same

1. Details of Registered Valuer:

KPMG Valuation Services LLP

Registration No. IBBI/RV-E/06/2020/115

Asset class: Securities or Financial Assets

Amit Jain,

Partner

IBBI Registration No. IBBI/RV-E/06/2018/10501

Asset class: Securities or Financial Assets

2. Summary and Rationale for Valuation methods used

The valuer considered valuing both R Systems and Velotio using Income as well as Market Approach by providing equal weightages to both approaches.

Under the Income Approach, the Discounted Cash Flow (DCF) method was employed, as both companies had provided detailed projections of future cash flows. Considering the historical operational performance of each entity, it was deemed appropriate to assign 50% weight to the DCF methodology.

For Market Approach, valuer considered Market Price Method for R Systems, given the share is frequently traded on stock exchanges. The valuer considered Multiples Method for valuing Velotio since comparable listed companies were available and trading frequently on exchanges.

While Valuer has calculated value of both R Systems and Velotio using Asset Approach, since the Companies are going concern in nature, Valuer considered it appropriate not to give any weightage to the same in case of R Systems and Velotio.

FAIRNESS OPINION REPORT

FOR THE COMPOSITE SCHEME OF AMALGAMATION

OF

VELOTIO TECHNOLOGIES PRIVATE LIMITED
(AMALGAMATING COMPANY 1)

AND

SCALEWORX TECHNOLOGIES PRIVATE LIMITED
(AMALGAMATING COMPANY 2)

WITH

R SYSTEMS INTERNATIONAL LIMITED
(AMALGAMATED COMPANY)

UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013



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Ref. No: CPC/MB/107/2024-25
SEBI Reg. No: INM000011435

To,
The Board of Directors
R Systems International Limited
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019

Dear Sir/Ma'am,

Subject: Fairness Opinion on Recommendation of Optionally Convertible Redeemable Preference Share ("OCRPS") Swap Ratio in relation to the Composite Scheme of Amalgamation of Velotio Technologies Private Limited and Scaleworx Technologies Private Limited with R Systems International Limited

We, **Corporate Professionals Capital Private Limited** (SEBI Registered Category I Merchant Banker), have been appointed by R Systems International Limited ("Amalgamated Company"/ "R Systems") to provide a Fairness Opinion on the Valuation report issued by KPMG Valuation Services LLP, Registered Valuer Entity, dated 10th September 2024, in connection with the Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("Amalgamating Company 1") and Scaleworx Technologies Private Limited ("Amalgamating Company 2") with Amalgamated Company, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") read with SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **Corporate Professionals Capital Private Limited**, such consent will only be given after full consideration of the circumstances at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, Securities and Exchange Board of India, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT and we provide consent for the same.

Trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully

For Corporate Professionals Capital Private Limited



[Authorized Signatory]

Place: New Delhi
Date: 10th September 2024

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CONTENTS

Context and Background	3
Brief About Companies	5
Source of the Information	7
Approach and Methodology	8
Share Exchange Ratio for Amalgamation	10
Caveats, Limitations and Disclaimer	11



CONTEXT AND BACKGROUND

BRIEF OF THE COMPANIES INVOLVED UNDER THIS ARRANGEMENT

1. **Velotio Technologies Private Limited (hereinafter also referred to as 'Velotio' or 'Amalgamating Company 1'),** is a private limited company incorporated under the Companies Act 2013, having registration number U72100DL2016PTC434014 and having its registered office at New Delhi, India. Velotio is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services. As on 3 July 2023, R Systems has acquired 100 per cent equity shares in Velotio for a cash consideration of INR 2,694 million. Further, Velotio has issued certain Optionally Convertible and Redeemable Preference Shares ("OCRPS") to certain individuals.

2. **Scaleworx Technologies Private Limited (hereinafter also referred to as 'Scaleworx' or 'Amalgamating Company 2'),** is a private limited company incorporated under the Companies Act 2013, having registration number U72900DL2020PTC434013, and having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019, India. Scaleworx is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services and is wholly owned subsidiary of Velotio.

3. R Systems International Limited **(hereinafter also referred to as 'R Systems' or 'Amalgamated Company'),** is a public limited company incorporated on May 14, 1993, under the Companies Act, 1956, having registration number L74899DL1993PLC053579 and having its registered office at New Delhi, India. R Systems is engaged in the business of digital product engineering, designing and developing chip-to-cloud software products, platforms, and digital experiences. The equity shares of R Systems International Limited are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

Furthermore, the Composite Scheme of Amalgamation of Amalgamating Company 1 and Amalgamating Company 2 with the Amalgamated Company ("Scheme") would result, inter-alia, in the following additional benefits:

This Scheme would result, inter-alia, in the following benefits:

a) Greater operational and management efficiencies;
b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities through enhanced geographical reach which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;
c) Streamlining of business operations and decision-making process and greater economies of scale and enhanced geographical reach, resulting in optimal and efficient utilization of capital;
d) Dedicated and specialized management focus on the specific needs of business vertical;
e) Unified approach on customer engagement delivering greater brand value;
f) Unification and streamlining of management of legal and regulatory compliances;
g) Greater economic value for the shareholders of the Amalgamated Company; and
h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

Corporate Professionals Capital Pvt. Ltd. ★ 28 South Extension Part-1 New Delhi 110049

As per the Scheme of Amalgamated Company 1 and Amalgamated Company 2 with the Amalgamated Company, we understand that the management of R Systems are contemplating to:

(a) As First Step ("Proposed Transaction" or "Transaction"):
- **(i)** the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;
- **(ii)** the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;
- **(iii)** the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS ("Velotio OCRPS") held by the Existing Shareholders as defined in the Scheme;
- **(iv)** issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("OCRPS") to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS; and

pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned subsidiary of the Amalgamated Company

(b) As Second Step (after first step being effective):
- **(i)** the amalgamation of Amalgamating Company 2 into the Amalgamated Company;
- **(ii)** the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing; and
- **(iii)** the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act.



BRIEF ABOUT COMPANIES

Velotio Technologies Private Limited (hereinafter also referred to as 'Velotio' or 'Amalgamating Company 1'), is a private limited company incorporated under the Companies Act 2013, having registration number U72100DL2016PTC434014 and having its registered office at New Delhi, India. Velotio is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services. As on 3 July 2023, R Systems has acquired 100 per cent equity shares in Velotio for a cash consideration of INR 2,694 million. Further, Velotio has issued certain Optionally Convertible and Redeemable Preference Shares ("OCRPS") to certain individuals.

Share Capital Details

As on 30 June 2024 and the report date, the paid-up equity share capital of Velotio is INR 0.1 Million consisting of 110,813 equity shares of face value of INR 1.00/- each fully paid up and Velotio OCRPS is 0.1 Million consisting of 123,850 Velotio OCRPS of face value of INR 1.00/- each fully paid up. The shareholding pattern of Velotio is as follows:

Category	No. of Equity Shares	% Shareholding	% Diluted Shareholding
R Systems International Limited	110,813	100.0	66.6
Total	118,303,445	100.00	66.6

[illegible]	No. of Velotio OCRPS	% Velotio OCRPS	Diluted Equity Share	% Diluted Shareholding
Kalpak Shah	55,881	45.1	25,096	15.1
Chirag Jog	55,881	45.1	25,096	15.1
Madhur Nawandar	10,527	8.5	4,728	2.8
Pranav Kulkarni	421	0.3	189	0.1
Samata Shah	570	0.5	256	0.2
Hemant Jog	570	0.5	256	0.2
Total	123,850	100.00	55,621	33.4

As per the guidance of the Management and basis the latest Share Purchase Agreement outlining the conversion terms of Velotio OCRPS, we understand that Velotio OCRPS are convertible into equity shares of Velotio as per the conversion ratio of 0.45:1. Accordingly, 123,850 Velotio OCRPS is equivalent to 55,621 equity shares of Velotio on a fully diluted basis resulting in a 33.4 per cent equity stake in Velotio.

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Scaleworx Technologies Private Limited (hereinafter also referred to as 'Scaleworx' or 'Amalgamating Company 2'), is a private limited company incorporated under the Companies Act 2013, having registration number U72900DL2020PTC434013, and having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019, India. Scaleworx is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services and is wholly owned subsidiary of Velotio.

R Systems International Limited (hereinafter also referred to as 'R Systems' or 'Amalgamated Company'), is a public limited company incorporated on May 14, 1993, under the Companies Act, 1956, having registration number L74899DL1993PLC053579 and having its registered office at New Delhi, India. R Systems is engaged in the business of digital product engineering, designing and developing chip-to-cloud software products, platforms, and digital experiences.

The equity shares of R Systems International Limited are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

Share Capital Details

As on 30 June 2024 and the report date, the paid-up equity share capital of R Systems is INR 118.3 Million consisting of 118,303,445 equity shares of face value of INR 1.00/- each fully paid up. The shareholding pattern of R Systems is as follows:

Category	No. of Equity Shares	% Shareholding
Promoters	61,433,005	51.9
Public	56,870,440	48.1
Total	118,303,445	100.0



SOURCE OF THE INFORMATION

In connection with this exercise, we have used the following information shared with us during the course of the engagement:

- Considered the draft Composite Scheme of Arrangement ("Scheme") for the Proposed Transaction;
- Considered audited consolidated financials of the R Systems for financial year ending 2021, 2022 & 2023 and limited review consolidated financials of the R Systems for the six-month period ended 30 June 2024,
- Considered standalone audited financials of Velotio for the three-month period ended 30 June 2024
- Considered consolidated audited financials of Velotio for financial year ending March 2024.
- Consolidated financial projections of Velotio for the period 01 July 2024 to 31 March 2032 and R Systems for the period 01 July 2024 to 31 December 2031, which the Management believes to be its best estimates of the future operating performance;
- Number of Restricted Stock Units ("RSUs") of R Systems as on the date of this report,
- Discussion with the Managements of the Companies in connection with the operations of the respective Companies, past and present activities, future plans and prospects, share capital and shareholding pattern of the Companies as of report date and any such information which is known and available as at the report date.
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Companies. We have not independently verified the accuracy or timeliness of the same, and
- Other relevant information and documents for the purpose of this engagement provided through emails or during discussion.
- Received valuation data and reports to understand selection of valuation methodology, determination of exchange ratio and valuation basis for the same.
- We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Managements and representatives of the Companies.

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APPROACH AND METHODOLOGY

Considering the valuation report issued by KPMG related to the transaction, we understand that the scheme contemplates amalgamation of Velotio into R Systems wherein equity shares held by R Systems in Velotio will get cancelled and the Velotio OCRPS currently held by certain individuals in Velotio will get exchanged in lieu of OCRPS of R systems (preferentially allotted) having similar time and performance terms, which will be convertible at 1:1 to equity shares of R Systems, R Systems shall issue its OCRPS to such shareholders under Section 247 to be read with Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the value of OCRPS of a company, which can be considered in the valuation exercise, to the extent relevant and applicable, to arrive at the Swap Ratio for the purpose of the Transaction, such as:

- Market Approach - Market Price Method; Comparable Companies Multiples (CCM) Method
- Income Approach - Discounted Cash Flow (DCF) Method
- Asset Approach – Net Asset Value (NAV) Method

Considering the nature of the businesses of the Companies and the fact that R Systems and Velotio has provided projected financials for their respective businesses, in our opinion, it is appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the OCRPS of R Systems and OCRPS of Velotio for the purpose of arriving at the Swap Ratio.

In the present case, the shares of R Systems are listed on BSE and NSE. The OCRPS of R Systems would be convertible into equity shares with a conversion of a ratio of 1:1. Thus, the price of equity shares of R Systems can be considered as a proxy for OCRPS value of R Systems.

Additionally, the management has confirmed that the terms of R System's OCRPS (to be issued pursuant to this Transaction) will carry the same conditions for vesting and exercising as the existing OCRPS for Velotio.

Further, we understand that there are regular transactions in their equity shares with reasonable volume. In the circumstances, the share price of R Systems has been considered as suggested in Regulation 164 of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

Accordingly, higher of the below two methods has been taken for determining the value of R Systems under the market price methodology:

- the volume weighted average price for 90 trading days (including the report date) from the report date,
- the volume weighted average price for 10 trading days (including the report date) from the report date,

Considering the availability of comparable listed peer set in the businesses carried out by the Velotio, it is appropriate in our opinion to consider the Comparable Companies Multiples method under the Market Approach to arrive at the value of the Velotio OCRPS for the purpose of arriving at the Swap Ratio.

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In the current analysis, the amalgamation of the Companies is proceeded with on the assumption that they would merge as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book and non-operating/ surplus assets, if any at their values under the Asset Approach.

In such a going concern scenario, the earning power, as reflected under the Income/ Market approach, is of greater importance to the basis of amalgamation/ demerger, with the values arrived at on the net asset basis being of limited relevance.

Hence, in our opinion, we have considered it appropriate not to give any weightage to the values of the shares of the Businesses under the Asset Approach in case of R Systems and Velotio.



SHARE EXCHANGE RATIO FOR AMALGAMATION

SHARE EXCHANGE RATIO FOR AMALGAMATION:

SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, requires the valuation report for a Scheme of Arrangement to provide certain requisite information in a specified format.

The computation of Swap Ratio as derived is given below:

Valuation Approach	R Systems International Limited (Amalgamated)		Velotio Technologies Private Limited (Amalgamating)	
	Value per OCRPS (INR)	Weight	Value per OCRPS (INR)	Weight
Income Approach – DCF Method	509.0	50%	21,008.4	50%
Market Approach				
• Market Price Method	508.7	50%		
• Multiples Method			21,394.7	50%
Relative Value per OCRPS	**508.9**	**100%**	**21,201.6**	**100%**
Swap Ratio (Rounded off)	**41.67**			

RATIO:

Four Thousand One Hundred and Sixty-Seven (4,167 only) OCRPS of Amalgamated Company of INR 1.00/- each fully paid up for every One Hundred (100 Only) Amalgamating Company 1 OCRPS of INR 1.00/- each fully paid up.

Swap Ratio is based on the share capital structure of the Amalgamated Company and Amalgamating Company 1 as mentioned earlier in this report.

"Subject to the above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, we have reviewed the proposed Scheme, the Valuation Report dated 10th September 2024 of KPMG Valuation Services LLP, Registered Valuer Entity, with respect to the share exchange ratio aspects and consider it to be fair and reasonable".



CAVEATS, LIMITATIONS AND DISCLAIMER

- We did not perform any valuation exercise related to the transaction. We performed detailed analysis based on information and documents received from the management and verified the rational of the calculation, decisions mentioned in valuation report.
- Our services do not represent valuation, accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- An opinion of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion.
- We have taken into account, in our analysis, such events and circumstances occurring after the Valuation Date as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgement. Further, we have no responsibility for any events and circumstances occurring after the date of the report.
- The recommendation(s) rendered in this report only represent our recommendation(s) based upon information received from the management till the report date and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured Company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to be represented at any time other than the date that is specifically stated in this Fairness Opinion Report. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.



PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

Sr.	Description	Name of Shareholder	Amalgamating Company -1				Name of Shareholder	Amalgamating Company -2				Name of Shareholder	Amalgamated Company				
			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement		
			No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%	%[Note 4]
(A)	Shareholding of Promoter and Promoter Group																
1	**Indian**																
	Individuals/ Hindu Undivided Family	Nand Lal Sardana (Nominee of R Systems International Limited)	1	Negligible	-	-	Chirag Hemant Jog (Nominee of Velotio Technologies Private Limited)	1	0.01	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	R Systems International Limited	110,812	100	-	-	Velotio Technologies Private Limited	14,665	99.99	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)		**110,813**	**100**	-	-		**14,666**	**100**	-	-	-	-	-	-	-	-
2	**Foreign**																
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-			-	-	-	-	-	-

Sr.	Description	Name of Shareholder	Amalgamating Company -1				Name of Shareholder	Amalgamating Company -2				Name of Shareholder	Amalgamated Company				
			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement		
			No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%	% Note 4
(b)	Bodies Corporate	-	-	-	-	-	-	-	-			BCP Asia II Topco II PTE Ltd	61,433,005	51.89	61,433,005	51.89	49.73
(c)	Institutions	-	-	-	-	-	-	-	-			-	-	-	-	-	-
(d)	Any Others	-	-	-	-	-	-	-	-			-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-				**61,433,005**	**51.89**	**61,433,005**	**51.89**	**49.73**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	**110,813**	**100**	-	-	-	**14,666**	**100**			-	**61,433,005**	**51.89**	**61,433,005**	**51.89**	**49.73**
(B)	**Public shareholding**																
1	**Institutions**						-										
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-			-	5,081,046	4.29	5,081,046	4.29	4.11
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-			-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-			-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-			-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-			-	-	-	-	-	
(f)	Foreign	-	-	-	-	-	-	-	-			-	4,320,356	3.65	4,320,356	3.65	3.50

Sr.	Description	Name of Shareholder	Amalgamating Company -1				Name of Shareholder	Amalgamating Company -2				Name of Shareholder	Amalgamated Company				
			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement		
			No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%	% Note 4
	Institutional Investors																
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-			-	-	-	-	-	-
(h)	Any Other (Alternate Investment Funds)	-	-	-	-	-	-	-	-			-	5,489,081	4.64	5,489,081	4.64	4.44
	Sub-Total (B)(1)		-	-	-	-	-	-	-				**14,890,483**	**12.58**	**14,890,483**	**12.58**	**12.05**
2	**Non-institutions**																
(a)	Bodies Corporate		-	-	-	-	-	-	-			-	1,675,093	1.42	1,675,093	1.42	1.36
(b)	Individuals		-	-	-	-	-	-	-			-					
I	Individual shareholders holding nominal share capital up to Rs 1 lakh		-	-	-	-	-	-	-			-	10,334,875	8.73	10,334,875	8.73	8.42
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.		-	-	-	-	-	-	-			-	2,382,623	2.01	2,382,623	2.01	6.05

Sr.	Description	Name of Shareholder	Amalgamating Company -1				Name of Shareholder	Amalgamating Company -2				Name of Shareholder	Amalgamated Company				
			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement		
			No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%	%Note 4
(c)	**Any Other**		-	-	-	-	-	-	-			-	27,664,210	23.38	27,664,210	23.38	22.38
	Key Managerial Personnel		-	-	-	-	-	-	-			-	201,349	0.17	201,349	0.17	0.16
	Investor Education and Protection Fund (IEPF)		-	-	-	-	-	-	-			-	43,537	0.04	43,537	0.04	0.04
	Non Resident Indians (NRIs)		-	-	-	-	-	-	-			-	25,614,295	21.64	25,614,295	21.64	20.73
	Foreign Nationals		-		-	-		-	-			-	165,433	0.14	165,433	0.14	0.13
	Clearing Member		-		-	-		-	-			-	18,636	0.02	18,636	0.02	0.02
	HUF		-		-	-		-	-			-	619,139	0.52	619,139	0.52	0.49
	LLP- Bodies Corporate		-		-	-		-	-			-	1,001,821	0.85	1,001,821	0.85	0.81
	Sub-Total (B)(2)		-	-	-	-		-					**42,056,801**	**35.53**	**42,056,801**	**38.53**	**38.22**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**		-	-	-	-		-					**56,947,284**	**48.11**	**56,947,284**	**48.11**	**50.27**
	TOTAL (A)+(B)		**110,813**	**100**	-	-		**14,666**	**100**				**118,380,289**	**100**	**118,380,289**	**100**	**100**
(C)	Shares held by Custodians and against which DRs have been issued		-	-	-	-		-					-	-	-	-	

Sr.	Description	Name of Shareholder	Amalgamating Company -1				Name of Shareholder	Amalgamating Company -2				Name of Shareholder	Amalgamated Company				
			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement			Pre-arrangement		Post-arrangement		
			No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%	%[Note 4]
	GRAND TOTAL (A)+(B)+(C)		110,813	100	-	-		14,666	100				118,380,289	100	118,380,289	100	100

Notes:

1. Amalgamating Company 1 means Velotio Technologies Private Limited
   Amalgamating Company 2 means Scaleworx Technologies Private Limited
   Amalgamated Company means R Systems International Limited
2. Pre-arrangement Shareholding Pattern is as per benpos dated June 13, 2025.
3. We have considered only equity shares while preparing the above shareholding pattern. Pursuant to the Scheme, the 123,850 Optionally convertible redeemable preference shares ("OCRPS") held by the OCRPS holders in the Amalgamating Company 1 will get cancelled and in lieu thereof, Amalgamated Company will issue 5,160,833 OCRPS to them. OCRPS of Amalgamated Company shall vest and convert into equity shares of Face Value of Re 1/- each as per the Scheme on the completion of their Term and subject to Vesting Factor as per terms of R Systems OCRPS (as defined in the Annexure 1 & 2 of the Scheme).
4. Percentage is computed assuming full conversion of OCRPS (as a percentage of diluted share capital).
5. Rationale for Changes in Shareholding of the Amalgamated Company, Amalgamating Company 1, and Amalgamating Company 2 (from the date of filing the Draft Scheme to the date of Notice to Shareholders):
   a. Amalgamated Company (R Systems International Limited):
      During the period from the filing of the Draft Scheme to the date of this Notice, the Amalgamated Company has allotted 76,844 equity shares pursuant to the exercise of Restricted Stock Units (RSUs) under the R Systems International Limited Management Incentive Plan 2023.
   b. Other Changes in Shareholding of the Amalgamated Company:
      Apart from the above-mentioned allotment and routine market transactions (i.e., sale or purchase of shares by shareholders through stock exchanges), there have been no other changes in the shareholding structure of the Amalgamated Company.
   c. Amalgamating Company 1 and Amalgamating Company 2 (Velotio Technologies Private Limited and Scaleworx Technologies Private Limited):
      There has been no change in the shareholding of either of the Amalgamating Companies during the said period.

For **R Systems International Limited**



Bhasker Dubey
(Company Secretary & Compliance Officer)

Ref: NSE/LIST/44315

February 28, 2025

The Company Secretary
R Systems International Limited

Kind Attn.: Mr. Bhasker Dubey

Dear Sir,

Sub: Observation Letter for draft composite scheme of amalgamation between Velotio Technologies Private Limited ("Amalgamating Company 1/VTPL") and Scaleworx Technologies Private Limited ("Amalgamating Company 2/STPL") with R Systems International Limited ("Amalgamated Company/RSIL") and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

We are in receipt for captioned draft composite scheme of arrangement filed by R Systems International Limited.

Based on our letter reference no. NSE/LIST/44315 dated December 31, 2024, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with Regulation 37 and 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for comments on the Draft Scheme of Arrangement, SEBI vide its letter dated February 27, 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

a) *The proposed composite scheme of amalgamation and arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

b) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

c) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed company and the Stock Exchanges.*

d) *The entities involved in the scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/authorities/tribunal.*

e) *The Company shall ensure compliance with the SEBI Circular issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*

f) *The Company shall ensure that information pertaining to all directors, if any, involved in the scheme shall be included in the format specified for a prospectus as provided in Part*

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Signer: SAILI MOHAN KAMBLE
Date: Fri Feb 28 2025 14:44:41 IST
Location: NSE

E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.

g) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

h) *The Companies shall ensure that the following disclosure as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.*

   i. *Need for the merger, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.*
   ii. *Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of the methods considered for arriving at the Share-Swap ratio and Rationale for using above methods.*
   iii. *Pre and Post Shareholding of VTPL, STPL and RSIL as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of draft scheme to Notice to shareholders.*
   iv. *Capital Built-up of VTPL and STPL since incorporation and last 3 years shareholding pattern filed by VTPL and STPL with ROC.*
   v. *Details of Revenue, PAT and EBIDTA of VTPL, STPL and RSIL for last 3 years.*
   vi. *Rationale for issuing RSIL OCRPS to shareholders of VTPL as consideration in the scheme.*
   vii. *Projections considered for valuation of VTPL, STPL and RSIL.*
   viii. *Justification for growth rate considered for valuation of VTPL, STPL and RSIL.*
   ix. *Value of Assets and Liabilities of VTPL and STPL that are being transferred to Transferee Company and post-merger balance sheet of RSIL.*
   x. *Details of acquisition of VTPL by RSIL, important terms and conditions of the acquisition and Rationale for issuing OCRPS to the shareholders of VTPL.*
   xi. *Rationale for showing OCRPS holders as public shareholders in Transferee Company and its compliance with SEBI (ICDR) Regulations, 2018 and Companies Act, 2013.*
   xii. *Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.*
   xiii. *Financial implications of merger on Promoters, Public shareholders and the companies involved.*
   xiv. *Disclose all pending actions against the entities involved in the scheme and possible impact of the same on Transferee Company to the shareholders.*

i) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*

This Document is Digitally Signed

j) *The Company shall ensure that the proposed equity share* *to the Issue in terms of the "Scheme" shall mandatorily be in demat form only.*

Signer: SAILU MOHAN KAMBLE
Date: Fri, Feb 28, 2025 14:46:40 IST
Location: NSE

k) The Company shall ensure that the "Scheme" shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.

l) The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.

m) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.

n) The Company shall ensure that all the applicable additional information shall form part of disclosures to the shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.

o) The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder, including obtaining the consent from the creditors for the proposed scheme.

p) It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBl /stock exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBl/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India Limited (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Listed entity involved in the proposed Scheme shall disclose the No-Objection Letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

This Document is Digitally Signed

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading or any contravention of Rules,

Signer: SAILI MOHAN KAMBLE
Date: [illegible]
Location: NSE

Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from February 28, 2025, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

Signer: SAILI MOHAN KAMBLE
Date: Fri, Feb 28, 2025 14:46:40 IST
Location: NSE

DCS/AMAL/TS/R37/3549/2024-25 February 28, 2025

To,

The Company Secretary,
R Systems International Limited
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi, Delhi, 110019

Sub: Observation letter regarding the Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("VTPL") and Scaleworx Technologies Private Limited ("STPL") with R Systems International Limited ("RSIL")

We refer to Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("VTPL") and Scaleworx Technologies Private Limited ("STPL") with R Systems International Limited ("RSIL") and its respective shareholders and creditors filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and Reg. 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated February 27, 2025, has inter alia given the following comment(s) on the said Scheme of Arrangement:

A. **"The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."**

B. **"The Entity shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

C. **"The Entity is advised that, the additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."**

D. **"The entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators / authorities / tribunal."**

E. **"The Entity shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023, and also ensure that all the liabilities of Transferor Companies are transferred to the Transferee Company."**

F. **"The Entity is advised that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

Registered Office: BSE Limited, Floor 25, P J Towers, Dalal Street, Mumbai - 400 001, India. **T:** +91 22 2272 1234/33 | **E:** corp.comm@bseindia.com
www.bseindia.com | Corporate Identity Number : L67120MH2005PLC155188

G. "The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."

H. "The entities are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013 –

i. Need for the merger, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.
ii. Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.
iii. Pre and Post scheme shareholding of VTPL, STPL and RSIL as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.
iv. Capital built-up of VTPL and STPL since incorporation and last 3 years shareholding pattern filed by VTPL and STPL with ROC.
v. Details of Revenue, PAT and EBIDTA of VTPL, STPL and RSIL for last 3 years.
vi. Rationale for issuing RSIL OCRPS to shareholders of VTPL as consideration in the scheme.
vii. Projections considered for valuation of VTPL, STPL and RSIL.
viii. Justification for growth rate considered for valuation of VTPL, STPL and RSIL.
ix. Value of Assets and liabilities of VTPL and STPL that are being transferred to Transferee Company and post-merger balance sheet of RSIL.
x. Details of acquisition of VTPL by RSIL, important terms and conditions of the acquisition and Rationale for issuing Optionally Convertible Redeemable Preference Shares ("OCRPS") to shareholders of VTPL.
xi. Rationale for showing "OCRPS holders" as public shareholders in the Transferee company and its compliance with SEBI ICDR Regulations, 2018, and Companies Act, 2013.
xii. Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.
xiii. Financial implication of merger on Promoters, Public Shareholders and the companies involved.
xiv. Disclose all pending actions against the entities involved in the scheme and possible impact of the same on the Transferee Company to the shareholders.

I. "Entities are advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."

J. "The Entity is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."

K. "The Entity is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."

L. "No changes to the draft scheme except those mandated by the regulators / authorities / tribunals shall be made without specific written consent of SEBI."

M. "The Entity is advised that the observations of SEBI / Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."

N. **The Entity shall ensure that applicable additional information, if any to be submitted to SEBI along with draft scheme of arrangement as advised by email dated February 28, 2025, shall form part of disclosures to the shareholders.**

O. **"The Entity is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."**

P. **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments / observations on draft scheme by SEBI / stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013, to SEBI again for its comments / observations / representations."**

Q. **"The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
iii. To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents / information, in accordance with the circular to SEBI / Exchange should not any way be deemed or construed that the same has been cleared or approved by SEBI / Exchange. SEBI / Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sabah Vaze
Senior Manager

Jayanti Pradhan
Assistant Manager

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P., India – 201 307
Phones: +91-120-4303500 | Email : rsil@rsystems.com | Regd. Off.: GF-1-A, 6, Devika Tower,
Fax: +91-120-4082699 | www.rsystems.com | Nehru Place, New Delhi- 110019

REF: SECT/10/2024/19 OCTOBER 29, 2024

To,
The General Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001.

BSE Scrip Code – 532735

Dear Sir,

Sub: Submission of 'Report On Complaints' with respect to Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Composite Scheme of Amalgamation of Velotio Technologies Private Limited and Scaleworx Technologies Private Limited with R Systems International Limited under Sections 230 To 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

This is with reference to the application dated September 25, 2024 filed by R Systems International Limited ("**Company**"), with respect to the Scheme. The Scheme was hosted on the website of BSE Limited on October 07, 2024.

In this regard, we are enclosing the Report on Complaints, as required under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Scheme Circular**"). 'Nil' complaints have been received in relation to the Scheme.

We request you to take the same on record and provide us the Observation Letter/ No Objection Letter for the Scheme at the earliest, to enable us to file the Scheme before the National Company Law Tribunal, New Delhi Bench.

Thanking You,

Yours Truly,

For **R Systems International Limited**

Bhasker Dubey
(Company Secretary & Compliance Officer)

R SYSTEMS INTERNATIONAL LTD.

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P , India – 201 307
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Fax: +91-120-4082699
Email : rsil@rsystems.com
www.rsystems.com
Regd. Off.: GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019

REPORT ON COMPLAINTS

PART-A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3.	Total Number of complaints/ comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

PART-B

Sr. No.	Name of complainant	Date of Complaint	Status
	Not Applicable		

For **R Systems International Limited**

Bhasker Dubey
(Company Secretary & Compliance Officer)
Date: October 29, 2024

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P., India – 201 307
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www.rsystems.com
Regd. Off.: GF-1-A, 6, Devika Tower,
Nehru Place, New Delhi- 110019

REF: SECT/11/2024/11

NOVEMBER 11, 2024

To,
The Manager,
National Stock Exchange of India Limited
5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

NSE SYMBOL: RSYSTEMS

Dear Sir,

Sub: Submission of 'Report On Complaints' with respect to Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Composite Scheme of Amalgamation of Velotio Technologies Private Limited and Scaleworx Technologies Private Limited with R Systems International Limited under Sections 230 To 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

This is with reference to the application dated September 25, 2024 filed by R Systems International Limited ("**Company**"), with respect to the Scheme. The Scheme was hosted on the website of National Stock Exchange of India Limited on October 18, 2024.

In this regard, we are enclosing the Report on Complaints, as required under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Scheme Circular**"). 'Nil' complaints have been received in relation to the Scheme.

We request you to take the same on record and provide us the Observation Letter/ No Objection Letter for the Scheme at the earliest, to enable us to file the Scheme before the National Company Law Tribunal, New Delhi Bench.

Thanking You,

Yours Truly,

For **R Systems International Limited**

Bhasker Dubey
(Company Secretary & Compliance Officer)

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REPORT ON COMPLAINTS

(During the Period from October 18, 2024 (i.e. hosting of Composite Scheme of Amalgamation of Velotio Technologies Private Limited and Scaleworx Technologies Private Limited with R Systems International Limited on the website of NSE) till November 08, 2024

PART-A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3.	Total Number of complaints/ comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

PART-B

Sr. No.	Name of complainant	Date of Complaint	Status
	Not Applicable		

For **R Systems International Limited**

Bhasker Dubey
(Company Secretary & Compliance Officer)
Date: November 11, 2024

LIST OF PROCEEDINGS PENDING AGAINST R SYSTEMS INTERNATIONAL LIMITED

S. No.	Court / Tribunal	Brief Summary	Amount/ Stake Involved (Rs. In Crores)	Current Status
1.	Commissioner of Income Tax (Appeals)	Income tax department has disallowed certain expenditure related to travel expenses. Company is hopeful of getting the necessary relief.	3.38 cr. But the Company is hopeful of getting the necessary relief.	Under appeal with CIT (A)
2.	Labour Court (Second), Ghaziabad	Chetan Mehra, a former employee of R Systems International Limited, was terminated in February 2013 due to a project ramp-down. He later initiated a labor dispute seeking reinstatement and back wages. Although R Systems responded during initial conciliation in 2014, the matter remained dormant until 2019 when notices from the Labor Court resumed. Due to COVID-related delays, the company was unaware that an ex parte award had been passed in February 2021, ordering reinstatement and back wages (approx. ₹38 lakhs). R Systems promptly moved the Labor Court to set aside the ex	0.38 cr.	Order Reserved.

		parte award, which was allowed upon payment of ₹10,000 to the claimant.		
3.	Chandigarh District Court	An employee of R Systems passed away and the settlement amount, including term insurance and full & final dues, was disbursed to his spouse, Mrs. Deepti Arora, based on an undertaking to distribute the proceeds among the legal heirs. However, a dispute has since arisen between Mrs. Deepti Arora and the deceased employee's mother, Mrs. Uma Arora, alleging non-distribution of the funds. Mrs. Uma Arora has initiated legal proceedings and made R Systems International Limited a party to the dispute.	Nil, as we have already paid our dues.	The company has filed its written statement in response, and the matter is currently pending for hearing.
4.	Alandur District Court, Chennai	R Systems International Limited had initially sourced a candidate through Ennuviz Technology Labs Pvt. Ltd. ("Ennuviz") However, due to alleged mistreatment by Ennuviz, the candidate chose to leave. R Systems engaged him briefly through a second employer	Nil, as our counsel is confident that this case will be dismissed.	The matter is currently pending for hearing.

		before he applied independently via a job portal and was subsequently hired. Ennuviz has now filed a case before the Alandur Court against their former employee for violating a non-solicitation agreement, also naming R Systems as a party for alleged employee poaching. R Systems has filed an application challenging the jurisdiction of the Alandur Court, which is currently pending adjudication.		

Note:

1. Except above, there is no pending actions against Amalgamated Company, Amalgamating Company 1 and Amalgamating Company 2.
2. There will be no impact of any of the pending actions on the shareholders of the Transferee Company i.e. Amalgamated Company.

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor Building 10
Tower B
DLF Cyber City Complex
DLF City Phase II
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Haryana, India

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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF QUARTERLY STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
R SYSTEMS INTERNATIONAL LIMITED

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **R Systems International Limited** (the "Company"), for the quarter ended 31 March, 2025 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "LODR Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) is presented in accordance with the requirements of the LODR Regulations; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended 31 March, 2025

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for Audit of the Standalone Financial Results for the quarter ended 31 March, 2025 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 (the "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter ended 31 March, 2025 under the provisions of the Act and the Rules 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.

Management's and Board of Directors' Responsibilities for the Statement

This Statement is the responsibility of the Company's Board of Directors, and has been approved by them for the issuance. The Statement has been compiled from the related audited interim condensed standalone financial statements for the quarter ended 31 March, 2025. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter ended 31 March, 2025 that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the LODR Regulations.



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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for audit of the Standalone Financial Results for the quarter ended 31 March, 2025

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the quarter ended 31 March, 2025 as a whole is 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 this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the LODR Regulations.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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



- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results 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 Results.

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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration Number: 117366W/W-100018)



Jitendra Agarwal
Partner
Membership Number: 087104
UDIN: 25087104BMJGUY3009

Place: Gurugram
Date: 08 May, 2025

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

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

Tel : +91 120 4303500; Website : www.rsystems.com; Email : rsil@rsystems.com

Statement of Standalone Audited Financial Results for the quarter ended March 31, 2025

(Rs. in million, except per share data)

S.No.	Particulars	Three months ended			Year ended
		31.03.2025	31.12.2024	31.03.2024	31.12.2024
		(Audited)	(Audited)	(Audited)	(Audited)
1	**Income**				
(a)	Revenue from operations	2,442.36	2,414.96	2,088.60	9,114.40
(b)	Other income (refer to Note 3)	30.79	157.73	111.46	461.75
	Total income	**2,473.15**	**2,572.69**	**2,200.06**	**9,576.15**
2	**Expenses**				
(a)	Employee benefits expense	1,565.92	1,593.14	1,512.83	6,152.53
(b)	Finance costs	14.08	18.37	26.54	77.61
(c)	Depreciation and amortisation expense	43.70	51.35	58.36	226.91
(d)	Other expenses	373.34	387.26	247.65	1,232.17
	Total expenses	**1,997.04**	**2,050.12**	**1,845.38**	**7,689.22**
3	**Profit before tax (1-2)**	**476.11**	**522.57**	**354.68**	**1,886.93**
4	**Tax expense**				
(a)	Current tax	131.68	89.38	72.00	457.38
(b)	Deferred tax expense / (credit)	(2.21)	35.91	(33.11)	(56.00)
	Total tax expense	**129.47**	**125.29**	**38.89**	**401.38**
5	**Net profit for the period / year (3-4)**	**346.64**	**397.28**	**315.79**	**1,485.55**
6	**Other comprehensive income / (loss)**				
	Items that will not be reclassified to profit or loss				
(a)	Re-measurements of the defined benefit plans	(6.77)	1.31	(0.93)	(1.98)
(b)	Deferred tax relating to re-measurements of the defined benefit plans	1.70	(0.65)	0.28	0.50
	Total other comprehensive income / (loss)	**(5.07)**	**0.66**	**(0.65)**	**(1.48)**
7	**Total comprehensive income for the period / year (5+6)**	**341.57**	**397.94**	**315.14**	**1,484.07**
8	**Earnings per share (refer to Note 4 and Note 6) (Equity share of par value of Re. 1/- each)**				
(a)	Basic	2.93	3.36	2.67	12.56
(b)	Diluted	2.80	3.21	2.67	11.99

See accompanying notes to the financial results.

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

Nitesh Bansal
Managing Director & Chief Executive Officer
DIN: 10170738

For Identification Only
Deloitte Haskins & Sells LLP

Notes:

1 The financial results for the quarter ended March 31, 2025 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'). The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on May 08, 2025.

2 The Statutory Auditors have carried out audit for the quarter ended March 31, 2025 and March 31, 2024 and for the quarter and year ended December 31, 2024. The audit reports for the aforementioned results are not modified.

3 During the quarter ended March 31, 2024 and quarter and year ended December 31, 2024, the Company has received dividend of Rs. 73.99 million, Rs. 150.04 million and Rs. 401.73 million, respectively, from its subsidiaries.

The aforesaid dividend is recorded under "Other Income".

4 During the quarter ended on March 31, 2025, the Company has allotted 73,411 equity shares against exercise of 73,411 Restricted Stock Units under the R Systems International Limited Management Incentive Plan 2023.

5 The Board of Directors at its meeting held on May 08, 2025 has declared an interim dividend of Rs. 6.00/- per equity share of face value of Re. 1/- each.

6 Earnings per share for the quarter ended March 31, 2025, December 31, 2024 and March 31, 2024, are not annualised.

7 The Standalone Segment Information is set out in Annexure A.

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

Nitesh Bansal
Managing Director & Chief Executive Officer
DIN: 10170738

Place : Frisco TX, USA
Date : May 08, 2025

For Identification Only
Deloitte Haskins & Sells LLP

Annexure A

R SYSTEMS INTERNATIONAL LIMITED

Standalone Segment Information

(Rs. in million)

S.No.	Particulars	Three months ended			Year ended
		31.03.2025	31.12.2024	31.03.2024	31.12.2024
		(Audited)	(Audited)	(Audited)	(Audited)
1	**Segment revenue**				
	- Information technology services	1,949.93	1,921.28	1,712.46	7,357.95
	- Business process outsourcing services	492.43	493.68	376.14	1,756.45
	Revenue from operations	**2,442.36**	**2,414.96**	**2,088.60**	**9,114.40**
2	**Segment results before tax, interest and exceptional items**				
	- Information technology services	343.12	250.61	228.61	1,097.98
	- Business process outsourcing services	213.13	197.95	138.34	724.42
	Total	**556.25**	**448.56**	**366.95**	**1,822.40**
	(i) Finance costs	(14.08)	(18.37)	(26.54)	(77.61)
	(ii) Interest income	6.65	6.50	6.03	19.14
	(iii) Other unallocable income (refer to Note 3)	2.56	152.29	75.67	409.59
	(iv) Other unallocable expenses	(75.27)	(66.41)	(67.43)	(286.59)
	Profit before tax	**476.11**	**522.57**	**354.68**	**1,886.93**

Note: Assets and liabilities of the Company are used interchangeably between segments and the Chief Operating Decision Maker (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.

For Identification Only
Deloitte Haskins & Sells LLP

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

Nitesh Bansal
Managing Director & Chief Executive Officer
DIN: 10170738

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of R Systems International Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **R Systems International Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31 December, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended on that date, and notes to the standalone financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December, 2024, 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 Board report including Annexures to Board's Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



Regd. Office: One International Center, Tower 3, 31st floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013, Maharashtra, India.
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When we read the Board report, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 December, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31 December, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements.



h) 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.

i) 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31 December, 2024 wherein:

a. One accounting software has a feature of recording audit trail (edit log) facility and the same has operated at the application level throughout the year for all relevant transactions recorded in the software; the audit trail feature was not enabled at the database level to log any direct data changes. Consequently, we are unable to comment whether there were any instances of the audit trail feature being tampered with, and;

b. Two software, used to maintain payroll and revenue records, did not have audit trail feature.



As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from financial year commencing on or after 1 April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31 December, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal
Partner
(Membership No. 087104)
UDIN: 25087104BMJGTY6195

Place: Gurugram
Date: 13 February, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of R Systems International Limited ("the Company") as of 31 December, 2024 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of 31 December, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)





Jitendra Agarwal
Partner
(Membership No.087104)
UDIN: 25087104BMJGTY6195

Place: Gurugram
Date: 13 February, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, so to cover all the items once every 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program all Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed and municipal records provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 December, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The quarterly statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.

(iii) The Company has made investment in another company during the year. Further, the Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.

(b) The investment made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(c), (d), (e) and (f) of the Order is not applicable.



(iv) The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made, as applicable. Further, the Company has not granted any loans or provided guarantees or securities that are covered under provisions of Section 185 of the Companies Act, 2013.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income Tax, Goods and Service Tax and other material statutory dues as applicable to it to the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income Tax, Goods and Service Tax and other material statutory dues in arrears as at 31 December, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues of Income Tax which have not been deposited as on 31 December, 2024 on account of disputes are given below:

Name of statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount of demand* (in INR million)**	**Amount unpaid (in INR million)**
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeals), New Delhi	AY 2018-19	33.80	27.25

***** As per demand order.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans availed by the Company during the year were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.



(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or fully, partly and optionally convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports, issued to the Company during the year and covering the period upto June 2024 and internal audit report issued after the balance sheet date covering the period July 2024 to December 2024, for the period under audit.

(xv) During the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

Deloitte Haskins & Sells LLP Chartered Accountants

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)



Jitendra Agarwal
Partner
(Membership No.087104)
UDIN: 25087104BMJGTY6195

Place: Gurugram
Date: 13 February, 2025

R Systems International Limited
CIN : L74899DL1993PLC053S79
Standalone Balance Sheet as at December 31, 2024

(Rs. in million)

Particulars	Notes	As at December 31, 2024	As at December 31, 2023
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3 (a)	309.52	450.65
(b) Investment property	3 (b)	14.47	15.96
(c) Right-of-use assets	3 (c)	403.12	473.82
(d) Intangible assets	3 (d)	2.56	5.94
(e) Intangible assets under development	3 (e)	40.53	-
(f) Financial assets			
(i) Investments	4	3,735.22	3,727.58
(ii) Other financial assets	5	20.57	29.47
(g) Deferred tax assets (net)	28	276.72	220.22
(h) Non-current tax assets (net)		19.21	26.45
(i) Other non-current assets	6	37.22	98.57
Total non-current assets (A)		**4,859.14**	**5,048.66**
B. Current assets			
(a) Financial assets			
(i) Trade receivables	7	1,096.09	1,031.33
(ii) Cash and cash equivalents	8a	387.15	194.56
(iii) Bank balances other than cash and cash equivalents	8b	6.06	940.41
(iv) Other financial assets	9	649.83	603.42
(b) Other current assets	10	286.36	242.30
Total current assets (B)		**2,425.49**	**3,012.02**
C. Assets held for sale (C)	39	**64.00**	-
Total assets (A+B+C)		**7,348.63**	**8,060.68**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11	118.31	118.31
(b) Other equity	12	5,013.48	4,709.34
Total equity (A)		**5,131.79**	**4,827.65**
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	13.01	16.94
(ii) Lease liabilities	14	528.63	554.88
(iii) Other financial liabilities	15	12.18	12.01
(b) Provisions	16	275.19	246.04
Total non-current liabilities (B)		**829.01**	**829.87**
C. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	64.32	562.24
(ii) Lease liabilities	14	26.24	16.60
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		97.92	109.98
(iv) Other financial liabilities	19	554.11	1,115.58
(b) Other current liabilities	20	220.65	249.63
(c) Provisions	21	270.81	236.18
(d) Current tax liabilities (net)		153.78	112.95
Total current liabilities (C)		**1,387.83**	**2,403.16**
Total liabilities (B+C)		**2,216.84**	**3,233.03**
Total equity and liabilities (A+B+C)		**7,348.63**	**8,060.68**
Notes forming integral part of the standalone financial statements	1 - 41		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner

Membership No. 087104
Place : Gurugram
Date : February 13, 2025

Deloitte Haskins & Sells LLP Chartered Accountants

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

Nitesh Bansal
Managing Director &
Chief Executive Officer

DIN: 10170738
Place : Frisco TX, USA
Date : February 13, 2025

Ruchica Gupta
Chairperson &
Non-executive
Independent Director

DIN: 06912329
Place : New Delhi
Date : February 13, 2025

Nand Sardana
Chief Financial Officer

Place : NOIDA
Date : February 13, 2025

Bhasker Dubey
Company Secretary &
Compliance Officer

Place : NOIDA
Date : February 13, 2025

R Systems International Limited
CIN : L74899DL1993PLC053579
Standalone Statement of Profit and Loss for the year ended December 31, 2024

(Rs. in million, except per share data)

Particulars	Notes	Year ended December 31, 2024	Year ended December 31, 2023
A Income			
(i) Revenue from operations	22	9,114.40	9,038.87
(ii) Other income	23	461.75	706.42
Total income		**9,576.15**	**9,745.29**
B Expenses			
(i) Employee benefits expense	24	6,152.53	6,014.41
(ii) Finance costs	25	77.61	81.18
(iii) Depreciation and amortisation expense	26	226.91	239.95
(iv) Other expenses	27	1,232.17	1,227.87
Total expenses		**7,689.22**	**7,563.41**
C Profit before tax (A-B)		**1,886.93**	**2,181.88**
D Tax expense	28		
(i) Current tax		457.38	485.60
(ii) Deferred tax credit		(56.00)	(38.29)
Total tax expense		**401.38**	**447.31**
E Profit for the year (C-D)		**1,485.55**	**1,734.57**
F Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		(1.98)	(7.09)
Deferred tax relating to re-measurements of the defined benefit plans		0.50	2.48
Total other comprehensive loss		**(1.48)**	**(4.61)**
G Total comprehensive income for the year (E+F)		**1,484.07**	**1,729.96**
H Earnings per share (EPS)	29		
Equity share of par value of Re. 1/- each			
Basic		12.56	14.66
Diluted		11.99	14.66

Notes forming integral part of the standalone financial statements 1 - 41

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner

Membership No. 087104
Place : Gurugram
Date : February 13, 2025

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Company Secretary &
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Place : NOIDA
Date : February 13, 2025

R Systems International Limited
CIN : L74899DL1993PLC053579
Standalone Statement of Cash Flows for the year ended December 31, 2024

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
A. Cash flows from operating activities		
Profit for the year	1,485.55	1,734.57
Adjustments for:		
Tax expense	401.38	447.31
Depreciation and amortisation expense	226.91	239.95
(Reversal) / Provision for doubtful debts (net)	(6.75)	68.87
Employee share based payment expense	251.21	-
Unrealised foreign exchange (gain) / loss	(10.01)	9.87
Unrealised loss / (gain) on derivative instruments	65.31	(107.92)
Interest income	(19.14)	(54.02)
Rental income from investment property	(7.86)	(6.72)
Net gain on disposal / fair valuation of investments	-	(4.62)
(Profit) / Loss on sale / disposal of property, plant and equipment (net)	(0.43)	0.10
Liability no longer required written back	(15.94)	-
Dividend income (refer to Note 36)	(401.73)	(573.90)
Interest expenses	77.61	81.18
Operating profit before working capital changes	**2,046.11**	**1,834.67**
Movements in working capital :		
(Increase) / Decrease in trade receivables	(50.32)	64.33
(Increase) / Decrease in other assets	(136.88)	67.54
Increase / (Decrease) in provisions	61.81	60.23
Increase / (Decrease) in trade payables and other liabilities	150.22	57.99
Cash generated from operations	**2,070.94**	**2,084.76**
Direct taxes paid, net of refunds	(409.35)	(316.48)
Net cash from operating activities (A)	**1,661.59**	**1,768.28**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(55.06)	(128.94)
Purchase of intangible assets	(40.13)	(0.49)
Proceeds from sale of property, plant and equipment	9.17	3.49
Advance received towards sale of assets (refer to Note 39)	70.00	-
Investment in / acquisition of subsidiary (refer to Note 4)	(7.64)	(2,637.07)
Payment to erstwhile shareholders of subsidiary (refer to Note 4)	(56.67)	-
Proceeds from redemption of mutual funds	-	143.27
Proceeds from / (investment in) fixed deposits with scheduled banks (net)	243.79	(11.91)
Interest received	17.55	52.84
Rental income from investment property	7.86	6.72
Dividend income (refer to Note 36)	401.73	487.81
Net cash from / (used in) investing activities (B)	**590.60**	**(2,084.28)**
C. Cash flows from financing activities		
Proceeds from long-term borrowings	11.12	16.60
Repayment of long-term borrowings	(14.23)	(9.46)
(Repayment of) / Proceeds from short-term borrowings (net)	(498.74)	551.60
(Investment in) / Proceeds from margin money deposits (net)	(0.04)	5.29
Payment of lease rental (refer to Note 14)	(55.44)	(55.18)
Interest paid on borrowings	(25.54)	(21.42)
Interim dividend paid (refer to Note 38)	(1,478.79)	(804.46)
Net cash used in financing activities (C)	**(2,061.66)**	**(317.03)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**190.53**	**(633.03)**
Add: Cash and cash equivalents at the beginning of the year	194.56	825.70
Add: Effect of exchange rate changes on cash and cash equivalents held in foreign currency	2.06	1.89
Cash and cash equivalents at the end of the year	**387.15**	**194.56**

Notes forming integral part of the standalone financial statements 1 - 41

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner

Membership No. 087104
Place : Gurugram
Date : February 13, 2025

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

Nitesh Bansal
Managing Director &
Chief Executive Officer

DIN: 10170738
Place : Frisco TX, USA
Date : February 13, 2025

Ruchika Gupta
Chairperson &
Non-executive
Independent Director

DIN: 06912329
Place : New Delhi
Date : February 13, 2025

Nand Sardana
Chief Financial Officer

Place : NOIDA
Date : February 13, 2025

Bhasker Dubey
Company Secretary &
Compliance Officer

Place : NOIDA
Date : February 13, 2025

R Systems International Limited
CIN : L74899DL1993PLC053579
Standalone Statement of Changes in Equity for the year ended December 31, 2024

A. Equity share capital

(Rs. in million)

Balance as at January 01, 2024	Changes in equity share capital during the year	Balance as at December 31, 2024
118.31	-	118.31

Balance as at January 01, 2023	Changes in equity share capital during the year	Balance as at December 31, 2023
118.31	-	118.31

B. Other equity

(Rs. in million)

Particulars	Reserves and surplus				Total other equity
	Capital reserve under common control	Capital redemption reserve	Share-based payment reserve	Retained earnings	
Balance as at January 01, 2024	**(0.34)**	**5.02**	**-**	**4,704.66**	**4,709.34**
Profit for the year	-	-	-	1,485.55	1,485.55
Other comprehensive loss for the year	-	-	-	(1.48)	(1.48)
Share-based payment expense (refer to Note 11)	-	-	298.86	-	298.86
Interim dividend paid (refer to Note 38)	-	-	-	(1,478.79)	(1,478.79)
Balance as at December 31, 2024	**(0.34)**	**5.02**	**298.86**	**4,709.94**	**5,013.48**
Balance as at January 01, 2023	**(0.34)**	**5.02**	**-**	**3,779.16**	**3,783.84**
Profit for the year	-	-	-	1,734.57	1,734.57
Other comprehensive loss for the year	-	-	-	(4.61)	(4.61)
Interim dividend paid (refer to Note 38)	-	-	-	(804.46)	(804.46)
Balance as at December 31, 2023	**(0.34)**	**5.02**	**-**	**4,704.66**	**4,709.34**

Loss of Rs. 1.48 million and Rs. 4.61 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the year ended December 31, 2024 and December 31, 2023, respectively.

Notes forming integral part of the standalone financial statements 1 - 41

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner

Membership No. 087104
Place : Gurugram
Date : February 13, 2025

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

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Place : NOIDA
Date : February 13, 2025

Bhasker Dubey
Company Secretary &
Compliance Officer
Place : NOIDA
Date : February 13, 2025

1. Nature of operations

R Systems International Limited (the 'Company' or 'R Systems') (Corporate Identification Number: L74899DL1993PLC053579) is a public company domiciled in India having its registered office at New Delhi. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. The Company is a leading global provider of technology, artificial intelligence, intelligent process automation services and solutions along with knowledge services. The Company delivers its services and solutions to leading technology companies and businesses to enable their digital transformation. The Company's services and solutions span over six business verticals namely (i) Tech, Internet and Platforms, (ii) Health, (iii) Manufacturing & Logistics (M&L), (iv) Telecom, Media & Entertainment (TME), (v) Banking, Finance & Insurance (BFSI) and (vi) Services.

2. Summary of material accounting policies

(a) Basis of preparation and presentation

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 and other accounting principles generally accepted in India.

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.

The financial statements have been prepared on accrual and going concern basis and under the historical cost convention except for certain financial instruments, equity settled share-based payment transactions, net defined benefit obligations and other long-term employee benefits which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of services rendered to customers and the time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration of the services rendered, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been presented in million and rounded off upto two decimal places, unless otherwise indicated.

(c) 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

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R SYSTEMS INTERNATIONAL LIMITED

bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When significant parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major component) of property plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or retirement i.e. when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal or retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment received but not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP), respectively.

(d) 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 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 land	Lease period
Leasehold improvements	Lower of lease period or useful life
Plant and equipment - air conditioners	5 years
Plant and equipment - other than air conditioners	15 years
Office Equipment (other than end user devices)	5 years
Office Equipment (end user devices)	3 years
Computer hardware and network installations (other than end user devices)	6 years
Computer hardware (end user devices)	3 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

(e) 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.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Deloitte Haskins & Sells LLP Chartered Accountants

R SYSTEMS INTERNATIONAL LTD.

The management estimates the useful life as follows:

Category	Useful life up to
Computer software	Lower of license period or 3 years

Expenditure incurred during development of intangible assets is included under "Intangible Assets under Development". The same is allocated to the respective items of intangible assets on completion of the project.

(f) 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 i.e. cost less accumulated depreciation.

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 net carrying amount of the asset) is recognised in the statement of profit or loss in the period in which the property is derecognised.

(g) 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the standalone balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) 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):

Deloitte Haskins & Sells LLP Chartered Accountants

R SYSTEMS INTERNATIONAL LTD

- 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 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, other than investment in subsidiary, 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.

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R SYSTEMS INTERNATIONAL LTD.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Investment in subsidiary companies

Investment in subsidiary companies is measured at cost.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

(i) For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

(ii) Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

(iii) For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(i) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost

  Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is recognised as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss (FVTPL)

  Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

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De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(j) 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. Further, the Company considers information developed internally or obtained from external sources indicating that the debtor is unlikely to pay as constituting an event indicating credit impairment.

For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii. Impairment of investment in subsidiaries:

The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

iii. Non-financial assets

The Company's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(k) 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.

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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.

(l) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and interest on lease liabilities. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Leases

Where the Company is a lessee

The Company's lease asset classes primarily consist of leases for land, buildings 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company 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

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R SYSTEMS INTERNATIONAL LTD.

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.

Lease concessions received are accounted for as a lease modification and a corresponding adjustment is made to the carrying amount of the related right-of-use asset and lease liability.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

Where the Company is a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets comprising land and building which are subject to operating leases are included under non-current assets as investment property and are carried at cost less accumulated depreciation. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

(n) Revenue

The Company derives revenue primarily from information technology services and business process outsourcing services. The Company recognises revenue when the performance obligations as promised have been satisfies with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration.

The Company has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company collects Goods and Service Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

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Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

Revenue from licenses where the customer obtains 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.

(o) Other income

Other income is comprised primarily of interest income, dividend 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.

(p) 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 and exchange gain / loss on forward contracts are recognised as income or expenses in the statement of profit and loss.

(q) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all related employee benefits. The related risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

(i) Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences

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and performance incentives are recognised on undiscounted basis in the year in which the employee renders the related service.

(ii) The Company's contribution to social security plans such as provident fund, employee state insurance scheme, 401K etc. are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(iii) Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to statement of profit and loss subsequently.

The provision for gratuity recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

(iv) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. The actuarial gains and losses are recognised in the statement of profit and loss. Non-accumulating compensated absences are recognised in the period in which the absences occur.

The Company presents the entire Compensated absences liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(r) Income taxes

Tax expense comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. 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

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R SYSTEMS INTERNATIONAL LTD.

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.

(s) 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.

(t) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

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R SYSTEMS INTERNATIONAL LTD.

shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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.

(u) Share based payments

The cost of equity-settled transaction is determined by the fair value of the options at the date of the grant and recognised as employee benefits expense 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.

(v) 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.

(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 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.

(x) 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.

(y) Cash and cash equivalents

Cash and cash equivalents comprises bank balances, cash on hand and short term deposits with an original maturity period of three months or less.

(z) Assets held for sale

The Company classifies non-current assets as held for sale when it is highly probable that they will be recovered primarily through sale rather than through continuing use. Items of property, plant and equipment, intangible assets and investment property, once classified as non-current assets, are no

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longer depreciated or amortised. Such assets are presented separately from the other assets in the Balance Sheet. They are measured at lower of their carrying value and fair value less cost to sell.

(aa) Use of estimates and judgements

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 and judgements

i. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii. Income taxes

The Company's major tax jurisdictions is India, though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

The Company reviews carrying amount of deferred tax assets at the end of each reporting period.

iii. Useful life of property, plant and equipment

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 that the carrying amount may not be recoverable. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

vi. Employee benefit plans

The present value of provision for gratuity and compensated absence is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, provision for gratuity and compensated absence is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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vii. Employee share-based payments

The Company measures compensation cost relating to employee share-based payments using the fair valuation method. Fair value of time-based restricted stock units (RSUs) was determined using Black Scholes model. The expected number of performance-based RSUs is determined using Monte Carlo Simulation.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

Application of new and revised Indian Accounting Standards

a) On August 12, 2024, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2024 effective from August 12, 2024 and amended/ issued the following Ind-ASs:
- Amendments to Ind AS 1 - Presentation of Financial Statements
- Amendments to Ind AS 103 - Business Combinations
- New accounting standard issued i.e. Ind-AS 117 Insurance Contracts.

b) On September 09, 2024, MCA issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 effective from September 9, 2024 and amended the following Ind-AS:
- Amendments to Ind AS 116 - Leases"

c) On September 28, 2024, MCA issued the Companies (Indian Accounting Standards) Third Amendment Rules, 2024 effective from September 28, 2024 and amended the following:
- Amendments to Rule 5 of Companies (Indian Accounting Standards) Rules, 2015.

The amendments did not have any material impact on the financial statements of the Company.

Amendments issued during the year which are not yet effective.

There are no new amendments which has been issued during the year and are not yet effective.

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3 (a). Property, plant and equipment

(Rs. in million)

Particulars	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, 2023	85.77	59.81	20.09	81.03	940.10	99.44	47.47	**1,333.71**
Additions	-	5.58	-	0.07	62.53	23.39	3.52	**95.09**
Deletions	-	(1.59)	-	-	(1.66)	(10.29)	(0.66)	**(14.20)**
As at December 31, 2023	**85.77**	**63.80**	**20.09**	**81.10**	**1,000.97**	**112.54**	**50.33**	**1,414.60**
Additions	-	2.63	-	0.47	76.56	19.44	2.02	**101.12**
Classified as held for sale (refer to Note 39)	(85.77)	(49.38)	(17.89)	(75.56)	(17.52)	-	(19.60)	**(265.72)**
Deletions	-	(3.30)	(1.84)	(4.71)	(138.19)	(23.85)	(8.54)	**(180.43)**
As at December 31, 2024	**-**	**13.75**	**0.36**	**1.30**	**921.82**	**108.13**	**24.21**	**1,069.57**
Accumulated Depreciation								
As at January 01, 2023	43.08	39.30	19.01	76.63	535.33	34.30	38.39	**786.04**
Charge for the year	3.48	3.12	0.25	0.93	163.10	13.31	4.33	**188.52**
Deletions	-	(0.91)	-	-	(1.66)	(7.52)	(0.52)	**(10.61)**
As at December 31, 2023	**46.56**	**41.51**	**19.26**	**77.56**	**696.77**	**40.09**	**42.20**	**963.95**
Charge for the year	3.19	4.38	0.23	0.76	152.10	13.54	3.88	**178.08**
Classified as held for sale (refer to Note 39)	(49.75)	(34.54)	(17.49)	(74.01)	(17.51)	-	(19.40)	**(212.70)**
Deletions	-	(2.99)	(1.82)	(3.81)	(137.81)	(14.70)	(8.15)	**(169.28)**
As at December 31, 2024	**-**	**8.36**	**0.18**	**0.50**	**693.55**	**38.93**	**18.53**	**760.05**
Net block								
As at December 31, 2023	**39.21**	**22.29**	**0.83**	**3.54**	**304.20**	**72.45**	**8.13**	**450.65**
As at December 31, 2024	**-**	**5.39**	**0.18**	**0.80**	**228.27**	**69.20**	**5.68**	**309.52**

Notes:

(1) Gross block of vehicles amounting to Rs. 56.72 million (as at December 31, 2023 : Rs. 57.52 million) are hypothecated against terms loans for vehicle financed from a non-banking financial corporation. Also refer to Note 13.

(2) Capital commitments:

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
Estimated amount of unexecuted capital contracts (A)	34.15	48.69
Capital advances (B)	-	45.74
Net capital commitment (A-B)	**34.15**	**2.95**

R SYSTEMS INTERNATIONAL LTD.

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3 (b). Investment property

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
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	20.00	18.53
Charge for the year	1.49	1.47
Balance at the end of year	**21.49**	**20.00**
Net block	**14.47**	**15.96**

Measurement of fair values

Investment property consists of land and building situated at Pune, India. The Company has estimated that the fair value of investment property is Rs. 110.60 million (Previous year: Rs. 101.13 million). The estimate is based on the valuation by a registered valuer during the year. The fair value measurement for the investment property has been categorised as a Level 2.

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3 (c). Right-of-use assets

(Rs. in million)

Particulars	Land Leasehold	Building	Computer hardware	Furniture and fittings	Total
At cost					
Gross Block					
As at January 01, 2023	15.30	514.28	0.97	110.49	**641.04**
Modification of lease	-	(15.96)	-	(3.60)	**(19.56)**
As at December 31, 2023	**15.30**	**498.32**	**0.97**	**106.89**	**621.48**
Modification of lease	-	(12.89)	-	(2.87)	**(15.76)**
Classified as held for sale (refer to Note 39)	(15.30)	-	-	-	**(15.30)**
Retirement on completion/termination of lease	-	(0.59)	(0.97)	-	**(1.56)**
As at December 31, 2024	**-**	**484.84**	**-**	**104.02**	**588.86**
Accumulated Depreciation					
As at January 01, 2023	3.98	71.28	0.66	25.44	**101.36**
Charge for the year	0.18	35.13	0.22	10.77	**46.30**
As at December 31, 2023	**4.16**	**106.41**	**0.88**	**36.21**	**147.66**
Charge for the year	0.16	33.60	0.09	10.11	**43.96**
Classified as held for sale (refer to Note 39)	(4.32)				**(4.32)**
Retirement on completion/termination of lease	-	(0.59)	(0.97)	-	**(1.56)**
As at December 31, 2024	**-**	**139.42**	**-**	**46.32**	**185.74**
Net block					
As at December 31, 2023	**11.14**	**391.91**	**0.09**	**70.68**	**473.82**
As at December 31, 2024		**345.42**	**-**	**57.70**	**403.12**

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R SYSTEMS INTERNATIONAL LTD.

3 (d). Intangible assets

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
Software (at cost)		
Gross Block		
Balance at beginning of the year	56.72	56.23
Additions	-	0.49
Deletions	(36.32)	-
Balance at the end of year	**20.40**	**56.72**
Accumulated amortisation		
Balance at beginning of the year	50.78	47.12
Charge for the year	3.38	3.66
Deletions	(36.32)	-
Balance at the end of year	**17.84**	**50.78**
Net block	**2.56**	**5.94**

3 (e). Intangible assets under development ageing schedule

(Rs. in million)

Projects in progress	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
As at December 31, 2024	40.53	-	-	-	**40.53**
As at December 31, 2023	-	-	-	-	**-**

As on the date of the balance sheet, there is no intangible asset under development whose completion is overdue or has exceeded the cost, based on approved plan.

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars		As at December 31, 2024		As at December 31, 2023
4. Investments				
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 Rs. 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
(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)	30.81	(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
(vii) Investment in Velotio Technologies Private Limited, India (refer to Note 38(b)) 110,813 (previous year 110,813) equity shares of Re. 1 each fully paid up		2,693.74		2,693.74
(viii) Investment in RSIL Mexico, S. de R.L. de C.V., United State of Mexico (refer to Note 3 below)		7.64		-
Total investments measured at cost		**3,735.19**		**3,727.55**
Aggregate carrying value of Non-current unquoted investments		**3,735.22**		**3,727.58**
Provision for investments		**5.53**		**5.53**

Notes:

1. The Company had granted loans aggregating to Rs. 152.00 million (SGD 3.80 million) to R Systems Consulting Services Limited (formerly known as ECnet Limited) a subsidiary of the Company. These loans were disbursed over the period 2004 to 2010. R Systems Consulting Services Limited had accumulated losses which were in excess of its share capital as at 31 December, 2010.

During the year ended 31 December, 2010, the Board of Directors had approved a scheme for corporate restructuring of its two subsidiaries based in Singapore viz R Systems Consulting Services Limited (formerly known as ECnet Limited) and R Systems (Singapore) Pte Limited. The proposed corporate restructuring involves conversion of loan by the Company to R Systems Consulting Services Limited (formerly known as ECnet Limited) into equity investment and thereafter amalgamation of both these subsidiaries.

During the year ended December 31, 2011, the loan of Rs. 152.00 million (SGD 3.80 million) given by the Company to R Systems Consulting Services Limited (formerly known as ECnet Limited) was converted into equity share of R Systems Consulting Services Limited at the fair value of Rs Nil. Further, in subsequent years the proposed amalgamation was called off.

The Company had prepared its first financial statements as per India Accounting Standards (Ind AS) for the year ended December 31, 2018. In accordance with Ind AS 101, the Company had availed exemption in respect of investments in subsidiaries whereby the Company had opted to value its investments in subsidiaries as per previous GAAP and use the cost as per previous GAAP at the date of transition as deemed cost. The Company had valued the above-mentioned investments as at 01 January, 2017 at Rs. Nil and was consequently not included in the value of investments made in R Systems Consulting Services Limited.

2. During the previous year, the Company acquired 100% equity shares of Velotio Technologies Private Limited ("Velotio") at a consideration of Rs. 2,693.74 million. Out of this, Rs. 2,637.07 million was paid during the previous year and balance Rs. 56.67 million was paid during the current year. Further, the previous shareholders of Velotio hold 123,850 outstanding optionally convertible redeemable preference shares ("OCRPS") which were valued at Rs. 2,407.00 million based on terms and conditions stated in Shareholder Agreement ("SHA") dated June 7, 2023 entered into between the Company, Velotio and the previous shareholders of Velotio. The Company may at a later stage, as may be approved by its board of directors, acquire such OCRPS, subject to the terms and conditions set out in the SHA. (Also refer to Note 37)

At the time of acquisition, Velotio held 40% equity shares in Scaleworx Technologies Private Limited ("ScaleWorx"). On December 01, 2023, Velotio acquired balance 60% shareholding in ScaleWorx at a purchase consideration of Rs. 42.50 million. Subsequent to the aforesaid acquisition, ScaleWorx has become a wholly-owned subsidiary of Velotio.

3. The Company has set up a wholly owned subsidiary in United Mexican States, named RSIL Mexico, S. de R.L. de C.V. on October 09, 2024.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
5. Other non-current financial assets		
Unsecured, considered good		
Security deposits	19.78	28.84
Margin money deposits (refer to Note 8b)	0.60	0.57
Interest accrued on bank deposits	0.02	0.01
Staff advance	0.17	0.05
	20.57	**29.47**
6. Other non-current assets		
Unsecured, considered good		
Capital advances	-	45.74
Prepaid expenses	37.22	52.83
	37.22	**98.57**
7 Trade receivables (Unsecured)		
Unsecured, considered good	1,096.09	1,031.33
Unsecured, credit impaired	40.86	104.85
Less: Allowance for doubtful debts (expected credit loss allowance)	(40.86)	(104.85)
	1,096.09	**1,031.33**

Refer to Note 35 for related party balances.

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at December 31, 2024							
Undisputed, considered good	892.69	199.97	1.04	2.39	-	-	**1,096.09**
Undisputed, credit impaired	7.94	16.75	15.36	0.33	-	-	**40.38**
Disputed, credit impaired	-	-	0.47	-	-	-	**0.47**
As at December 31, 2023							
Undisputed, considered good	708.00	317.92	3.27	2.14	-	-	**1,031.33**
Undisputed, credit impaired	18.61	44.32	31.80	4.82	-	-	**99.55**
Disputed, credit impaired	-	4.75	0.55	-	-	-	**5.30**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Particulars	Ageing*			
	Not due - 90 days	90-180 days	180-365 days	More than 365 days
Default rate as at December 31, 2024	0.03%	0.37%	0.70%	2.00%
Default rate as at December 31, 2023	0.02%	0.21%	0.45%	2.00%

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

Movement in expected credit loss allowance:

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Balance at the beginning of the year	104.85	49.67
Provision / (Reversal) for doubtful debts (net)	(6.75)	68.87
Bad debts written off	(57.29)	(10.60)
Effect of foreign exchange fluctuation	0.05	(3.09)
Balance at the end of the year	**40.86**	**104.85**

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
8a. Cash and cash equivalents		
(a) Cash on hand	0.14	0.03
(b) Balances with scheduled banks		
(i) in current accounts	13.78	18.90
(ii) in EEFC accounts	110.02	58.92
(iii) in deposit accounts with original maturity of less than 3 months	90.06	-
(c) Balances with other banks		
(i) in current accounts	173.15	116.71
Cash and cash equivalents	**387.15**	**194.56**
8b. Bank balances other than cash and cash equivalents		
(a) In other deposit accounts		
(i) original maturity more than 12 months	-	112.74
(ii) original maturity more than 3 months but less than 12 months	2.36	133.42
(iii) held as margin money	0.60	0.57
Deposits with banks	**2.96**	**246.73**
Less: Bank deposits with original maturity of more than 12 months disclosed under Note 9	-	(112.74)
Less: Margin money deposit disclosed under Note 5	(0.60)	(0.57)
	2.36	**133.42**
(b) Balances with scheduled banks		
(i) in unclaimed dividend accounts	3.70	2.53
(ii) Bank balance towards interim dividend (refer to Note 38)	-	804.46
Bank balances other than cash and cash equivalents	**6.06**	**940.41**

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
9. Other current financial assets		
Staff advance	1.57	2.98
Recoverable from related parties (refer to Note 35)	50.03	3.08
Unbilled revenue (refer to Note 22 and Note 35)	583.97	469.87
Security deposits	11.35	0.89
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	-	112.74
Mark-to-market gain on derivative instruments (refer to Note 31)	-	9.86
Interest accrued on bank deposits	-	0.05
Others	2.91	3.95
	649.83	**603.42**
10. Other current assets		
Balance with indirect tax authorities	107.09	71.44
Unbilled revenue (refer to Note 22 and Note 35)	22.35	11.24
Prepaid expenses	148.28	142.90
Advance to vendors	6.81	13.96
Tour and travel advance	1.83	2.76
	286.36	**242.30**

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
11. Equity share capital		
Authorised		
206,000,000 (December 31, 2023: 206,000,000) equity shares of Re. 1 each	206.00	206.00
Issued, subscribed and fully paid up		
118,303,445 (December 31, 2023: 118,303,445) equity shares of Re. 1 each	118.31	118.31
	118.31	**118.31**

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year:

Particulars	Year ended December 31, 2024		Year ended December 31, 2023	
	Number of shares	Rs. in million	Number of shares	Rs. in million
At the beginning of the year	118,303,445	118.31	118,303,445	118.31
Changes during the year	-	-	-	-
Outstanding at the closing of the year	**118,303,445**	**118.31**	**118,303,445**	**118.31**

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of Re. 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 company :

Particulars	As at December 31, 2024	As at December 31, 2023
BCP Asia II Topco II Pte Ltd.	61,433,005	61,433,005

No shares are held by the ultimate holding company. Refer to Note 35 with respect to ultimate holding company.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) Shares issued pursuant to merger of RightMatch Holdings Limited:

The scheme of amalgamation was approved by Hon'ble National Company Law Tribunal, New Delhi vide order dated February 01, 2021 and the Supreme Court of Mauritius vide order dated September 14, 2020 and amended order dated September 21, 2020, between RightMatch Holdings Limited (RightMatch) and the Company and their respective shareholders and creditors. Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme became effective on March 09, 2021 and 8,828,489 fully paid equity shares of the face value of Re. 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 bought back:

During the year ended December 31, 2021, the Company bought back 1.33 million equity shares of Re. 1 each at a price of Rs. 225/- per equity share, payable in cash for a total consideration of Rs. 299.93 million by utilising the securities premium account of Rs. 46.66 million, general reserve of Rs. 155.04 million and retained earnings to the extent of 96.90 million. The capital redemption reserve was created out of retained earnings for Rs. 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 Rs. 69.87 million out of retained earnings towards tax on aforesaid buy-back.

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R SYSTEMS INTERNATIONAL LTD.

11. Equity share capital (contd.)

(e) Details of shareholders holding more than 5% shares in the Company:

Name of shareholder	As at December 31 2024		As at December 31 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
BCP Asia II Topco II Pte Ltd.	61,433,005	51.93%	61,433,005	51.93%
Bhavook Tripathi	24,313,676	20.55%	36,508,810	30.86%

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.

(f) Shareholding of promoters:

Name of promoter	As at December 31 2024		As at December 31 2023		Percentage change during the year
	No. of shares held	% of Holding	No. of shares held	% of Holding	
Promoters:					
BCP Asia II Topco II Pte Ltd.	61,433,005	51.93%	61,433,005	51.93%	-

(g) Employees Stock Option Plan:

On November 15, 2023 Shareholders of the Company, upon approval of the Board of Directors of the Company and recommendation of the Nomination, Remuneration and Compensation Committee ("NRCC"), have approved R Systems International Limited Management Incentive Plan 2023 ("Plan") to grant the eligible employees of the Company and its subsidiaries, such number of employee stock options ("Options") and restricted stock units ("RSUs") exercisable into not more than 8,000,000 (Eight million) equity shares of face value Re. 1/- each.

During the year ended December 31, 2024, the NRCC has approved the grant of 5,907,586 (Fifty Nine Lakhs Seven Thousand Five Hundred Eighty Six only) RSUs under the plan to the identified employees of the Company and its subsidiaries. The plan is implemented and administered by the NRCC. Each RSUs shall vest into one equity share as per the terms and conditions mentioned in the Plan at an exercise price of Re. 1/- per share.

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11. Equity share capital (contd.)

Based upon the vesting criteria, the RSU's have been classified as time-based RSU's and Performance-based RSU's.

Time-based RSUs:
In case of time-based RSUs, the vesting period is 60 months (20% vesting in each year) commencing from the date of grant as per the vesting schedule.

The movement in such options during the year is set out below:

Number of RSU	Year ended December 31, 2024
Outstanding at the beginning of the year	-
Granted during the year	579,114
Exercised during the year	-
Forfeited / lapsed / surrendered	(40,870)
Outstanding at the end of the year	**538,244**
Weighted average remaining contractual life at the end of the year	2.05 years

The weighted average fair value of time-based RSUs on the date of grant is Rs. 498.6. The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Inputs	Options granted during the year ended December 31, 2024
Weighted average share price on the date of grant	Rs. 518.74
Exercise price	Re. 1
Expected volatility (in %)*	33.3% to 48.36%
Life of RSUs granted during the year	5 years i.e. 20% vesting at the end of each year from the date of grant
Exercise period#	5 years
Expected Dividend yield (in %)	1.70%
Risk-free interest rate (in %)	6.48% to 7.03%

* Volatilities have been considered for respective time periods using the listed stock prices of the Company.

RSUs shall be automatically exercised upon vesting.

Performance-based RSUs:
The vesting of Performance-based RSUs will be determined subject to satisfaction of the performance obligations as stated under the Plan.

The movement in such options during the year is set out below:

Number of RSU	Year ended December 31, 2024
Outstanding at the beginning of the year	-
Granted during the year	5,328,472
Exercised during the year	-
Forfeited / lapsed / surrendered	(142,011)
Outstanding at the end of the year	**5,186,461**
Weighted average remaining contractual life at the end of the year	5.36 years

In order to determine total performance-based RSUs that are possible to vest i.e. fulfilment of the performance obligations, Monte Carlo Simulation ("MCS") method has been used. As per the MCS method, the external valuer has arrived that the performance obligation will be fulfilled by May 10, 2030 and 50% of the performance-based RSUs will vest. Various assumptions/inputs used for valuation exercise is given below:

Inputs	Options granted during the year ended December 31, 2024
Weighted average share price on the date of grant	Rs. 521.94
Exercise price	Re 1
Expected volatility (in %)*	47.30% to 48.30%
Expected Life of RSUs and exercise period#	5.36 years
Expected dividend yield (in %)	1.70%
Risk-free interest rate (in %)	6.70% to 7.00%

* Volatilities have been considered for respective time periods using the listed stock prices of the Company.

RSUs shall be automatically exercised upon vesting.

During the year ended December 31, 2024, the Company has recorded Rs. 251.21 million as share based payment expense relating to RSUs granted to its employees and Rs. 47.65 million as recoverable from subsidiary companies for RSUs granted to their employees.

Subsequent to the year ended December 31, 2024, the Company has allotted 68,506 equity shares of Re. 1/- each on January 17, 2025, upon the exercise of 68,506 Restricted Stock Units (RSUs) under the Plan.

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
12. Other equity		
a. Capital reserve under common control Capital reserve under common control represent reserves recorded upon business transfer under common control.	(0.34)	(0.34)
b. Capital redemption reserve 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.	5.02	5.02
c. Share-based payment reserve The share-based payment reserve account is used to record the value of equity-settled share based payment transactions with the employees of the Company and its subsidiaries. The amounts recorded in this account are transferred to securities premium account upon exercise of stock options by the employees.	298.86	-
d. Retained earnings Retained earnings comprises the Company's undistributed earnings after taxes.	4,709.94	4,704.66
Other equity	**5,013.48**	**4,709.34**

Note:

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

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
13. Borrowings (non-current)		
(at amortised cost)		
Term loans		
- Motor vehicle loan from non banking financial corporation (secured)	24.47	27.58
Less:		
Current maturities of term loans (disclosed under Note 17)	11.46	10.64
	13.01	**16.94**

Notes:

(1) Motor vehicle loans are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 7.30% to 9.63% per annum. The term loans are repayable in equated monthly instalments ranging from 36 to 60 months from the date of loan.

14. Lease liabilities		
Non-current	528.63	554.88
Current	26.24	16.60
	554.87	**571.48**

Movement schedule of lease liabilities is as follows:

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Opening balance	571.48	589.80
Modification of lease	(15.76)	(19.56)
Interest accrued on lease liability	54.63	56.47
Payment of lease rental	(55.44)	(55.18)
Effect of foreign exchange fluctuation	(0.04)	(0.05)
Closing balance	**554.87**	**571.48**

Rental expense recorded for short-term lease is Rs. 6.11 million (previous year Rs. 6.66 million) for the year ended December 31, 2024.

15. Other non-current financial liabilities		
Security deposits	12.18	12.01
	12.18	**12.01**
16. Provisions (non-current)		
Provision for employee benefits		
- Gratuity	275.19	246.04
	275.19	**246.04**

Refer to Note 24 for detailed disclosures for gratuity.

17. Borrowings (current)		
Cash credit facility from scheduled banks (refer Notes below)		
ICICI Bank Limited	52.86	263.79
Axis Bank Limited	-	287.81
Current maturities of term loans	11.46	10.64
	64.32	**562.24**

Notes:

(1) 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. The quarterly statements filed by the company with the banks are in agreement with the books of account.

(2) Cash credit facility from ICICI Bank Limited is repayable on demand and carries interest @ 6 months I-MCLR.

(3) Cash credit facility from Axis Bank Limited is repayable on demand and carries interest @ 1 months MCLR plus a spread of 0.10% p.a.

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18. Trade payables

Trade payable ageing schedule: **(Rs. in million)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at December 31, 2024					
Micro enterprises and small enterprises	-	-	-	-	-
Others	13.90	-	-	-	13.90
Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	13.90	-	-	-	**13.90**
Accrued expenses					84.02
Total					**97.92**
As at December 31, 2023					
Micro enterprises and small enterprises	-	-	-	-	-
Others	18.19	-	-	-	18.19
Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	18.19	-	-	-	**18.19**
Accrued expenses					91.79
Total					**109.98**

Dues to micro, small and medium enterprises

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

Particulars	As at December 31, 2024	As at December 31, 2023
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

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
19. Other current financial liabilities		
Payable to subsidiary companies (refer to Note 35)	81.57	50.87
Security deposits received	13.37	12.31
Unclaimed dividend	3.70	2.53
Interim dividend payable (refer to Note 38)	-	689.55
Mark-to-market loss on derivative instruments (refer to Note 31)	55.45	-
Employee benefits payable	383.68	290.59
Capital creditors	0.71	-
Advance from customers	11.93	6.77
Payable to erstwhile shareholders of subsidiary	-	56.67
Interest accrued but not due	0.39	2.97
Other financial liabilities	3.31	3.32
	554.11	**1,115.58**
20. Other current liabilities		
Tax on dividend payable	-	114.91
Other statutory dues payable	101.62	93.36
Unearned revenues (refer to Note 22 and Note 35)	49.03	41.36
Advance received towards sale of assets (refer to Note 39)	70.00	-
	220.65	**249.63**
21. Provisions (current)		
Provision for employee benefits		
- Gratuity	35.60	18.68
- Compensated absence	235.21	217.50
	270.81	**236.18**

Refer to Note 24 for detailed disclosures for gratuity.

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(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
22. Revenue from operations		
Sale of services	9,114.40	9,038.87
	9,114.40	**9,038.87**

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:		
India	328.38	262.89
North America	8,044.25	8,023.68
South East Asia	179.87	151.48
Europe	434.35	477.04
Others	127.55	123.78
	9,114.40	**9,038.87**
Revenue by customer's industry type :		
Tech, Internet and Platforms	2,308.96	2,724.26
Health	1,530.56	1,901.46
Manufacturing & Logistics (M&L)	1,132.28	1,148.78
Telecom, Media & Entertainment (TME)	883.55	718.89
Banking, Finance & Insurance (BFSI)	840.45	832.81
Services	2,418.60	1,712.67
	9,114.40	**9,038.87**

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue.

Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts as revenue. The Company has applied the practical expedients as given in IND AS 115. Accordingly, 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 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.

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
23. Other income		
Interest income on		
- Bank deposits	14.90	52.52
- Financial instruments measured at amortised cost	1.63	1.50
- Other	2.61	-
Dividend received from subsidiaries (refer to Note 36)	401.73	573.90
Liability no longer required written back	15.94	-
Rental income from investment property	7.86	6.72
Foreign exchange fluctuation (net)	-	64.37
Reversal of provision for doubtful debts (net)	6.75	-
Profit on sale of property, plant and equipment (net)	0.43	-
Net gain on disposal / fair valuation of investments	-	4.62
Miscellaneous income	9.90	2.79
	461.75	**706.42**
24. Employee benefits expense		
Salaries, wages and bonus	5,510.84	5,629.39
Gratuity expenses	61.48	55.88
Contribution to social security plans	212.85	208.01
Staff welfare expenses	116.15	121.13
Employee share based payment expense	251.21	-
	6,152.53	**6,014.41**

(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 a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with the "Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company.

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

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Service cost	43.62	39.93
Net interest cost	17.86	15.95
Net gratuity expense recognised in statement of profit and loss	**61.48**	**55.88**
Re-measurement loss / (gain) recognised in other comprehensive income	**1.98**	**7.09**
Total cost recognised in total comprehensive income	**63.46**	**62.97**

Details of defined benefit obligations:

Particulars	As at December 31, 2024	As at December 31, 2023
Defined benefit obligation	320.00	283.54
Fair value of plan assets	(9.21)	(18.82)
Net defined benefit obligation	**310.79**	**264.72**

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R SYSTEMS INTERNATIONAL LTD.

24. Employee benefits expense (contd.)

Changes in the defined benefit obligation are as follows:

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Opening defined benefit obligation	283.54	243.42
Service cost	43.62	39.93
Interest cost	19.23	16.77
Benefits paid	(29.86)	(25.96)
Actuarial (gains) / losses on obligation	3.47	9.38
Closing defined benefit obligation	**320.00**	**283.S4**

Changes in the fair value of plan assets are as follows: **(Rs. in million)**

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Opening fair value of plan assets	18.82	11.04
Expected return	1.37	0.82
Contributions by the employer	17.39	30.63
Benefits paid	(29.86)	(25.96)
Actuarial gains / (losses) on plan assets	1.49	2.29
Closing fair value of plan assets	**9.21**	**18.82**

Amounts recognised in other comprehensive income (OCI): **(Rs. in million)**

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Actuarial (gain) / loss due to change in demographic assumption of defined benefit obligation	1.87	-
Actuarial (gain) / loss due to change in financial assumption of defined benefit obligation	7.23	3.16
Actuarial (gain) / loss from change in experience adjustment of defined benefit obligation	(5.63)	6.22
Return on plan assets (greater) / less than discount rate	(1.49)	(2.29)
Re-measurement loss / (gain) recognised in OCI	**1.98**	**7.09**

Sensitivity Analysis

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

(Rs. in million)

Defined Benefit Obligation	As at December 31, 2024	As at December 31, 2023
Discount rate		
a. Discount rate - 100 basis points	338.59	303.57
b. Discount rate + 100 basis points	303.30	265.84
Salary increment rate		
a. Rate - 100 basis points	304.94	268.03
b. Rate + 100 basis points	335.81	299.79

Maturity Profile of Defined Benefit Obligation

(Rs. in million)

Expected Future Cash flows (undiscounted)	As at December 31, 2024	As at December 31, 2023
Year 1	44.81	37.51
Year 2	46.45	32.88
Year 3	42.24	33.62
Year 4	36.47	29.54
Year 5	34.71	24.28
Year 6 to10	133.53	112.79
Year 10 +	166.22	244.90

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R SYSTEMS INTERNATIONAL LTD.

24. Employee benefits expense (contd.)

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

	As at December 31, 2024	As at December 31, 2023
Investments with Life Insurance Corporation of India	100%	100%

The principal assumptions used in determining defined benefit obligation are shown below:

(A) Financial Assumptions

	As at December 31, 2024	As at December 31, 2023
Discount rate	6.84%	7.26%
Salary Increment rate	First year 10%, thereafter 7%	First year 10%, thereafter 7%

(B) Demographic Assumptions

	As at December 31, 2024	As at December 31, 2023
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	Below Age 30 Yrs. - 30% Age 30 to 34 Yrs. - 25% Age 34 to 44 Yrs. - 20% Age 44 to 50 Yrs. - 12% Age 50 to 54 Yrs. - 11% Above Age 54 Yrs. -1%	Below Age 30 Yrs. - 35% Age 30 to 34 Yrs. - 25% Age 34 to 44 Yrs. - 18% Age 44 to 50 Yrs. - 7% Age 50 to 54 Yrs. - 5% Above Age 54 Yrs. -1%
Retirement age	60 Yrs.	60 Yrs.

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(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
25. Finance costs		
Interest expense on borrowings	22.95	24.25
Interest expense on lease liabilities (refer to Note 14)	54.63	56.47
Interest under income tax	0.03	0.46
	77.61	**81.18**
26. Depreciation and amortisation expense		
Depreciation of property, plant and equipment	178.08	188.52
Depreciation on investment property	1.49	1.47
Depreciation on right-of-use assets	43.96	46.30
Amortisation of intangible assets	3.38	3.66
	226.91	**239.95**
27. Other expenses		
Power and fuel	35.74	34.02
Rent - premises	22.08	29.69
Software subscription charges	193.29	171.36
Repair and maintenance	54.51	53.75
Commission	3.69	4.66
Travelling and conveyance	170.32	171.91
Communication costs	63.77	81.13
Legal and professional fees (including subcontracting expenses)	462.69	358.42
Auditors' remuneration [refer to Note (i) below]	7.72	6.87
Foreign exchange fluctuation (net)	10.10	-
Provision for doubtful debts (net)	-	68.87
Loss on sale / discard of property, plant and equipment (net)	-	0.10
Contribution towards corporate social responsibility [refer to Note (ii) below]	32.36	23.27
Miscellaneous expenses	175.90	223.82
	1,232.17	**1,227.87**

(i) Detail of auditors remuneration

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
As auditor of the Company:		
- Statutory audit fee	2.40	2.40
- Quarterly audit / limited review fee	3.30	3.30
- Certification	0.89	0.45
- Out-of-pocket expenses	1.13	0.72
	7.72	**6.87**

(ii) Contribution towards corporate social responsibility (CSR)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Amount required to be spent by the Company during the year	32.36	23.27
Amount spent by the Company during the year	32.36	23.27
Shortfall at the end of the year	-	-

Nature of CSR activities:

The Company has spend on the following projects/initiatives:

1. Promoting and imparting education including special education, skill development etc.;
2. Providing support for orphans and disabled children;
3. Women empowerment and skill development;
4. Environmental sustainability; and
5. Research, development and education in the area of science and technology

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
28. Income tax		
Current income tax		
In respect of the current year	504.98	487.69
In respect of the prior periods	(47.60)	(2.09)
Deferred tax credit	(56.00)	(38.29)
Income tax expense recognised in the statement of profit and loss	**401.38**	**447.31**
Income tax recognised in other comprehensive income		
Deferred tax credit relating to re-measurements of the defined benefit plans	(0.50)	(2.48)
	400.88	**444.83**

The reconciliation between the provision of income tax of the Company and amount computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit before tax	1,886.93	2,181.88
Enacted income tax rate in India	34.944%	34.944%
Computed expected tax expense	659.37	762.44
Tax effect of:		
Income exempt from tax - operating #	(159.19)	(222.98)
Income exempt from tax - non-operating	(140.38)	(114.46)
Temporary differences reversing during the tax holiday period	(19.53)	(3.41)
Impact of change in future tax rate*	101.10	-
Expenses that are not deductible in determining taxable profit	2.60	20.62
Branch operating in other tax jurisdiction	6.05	8.20
True-up of tax provisions related to previous years	(47.60)	(2.09)
Income chargeable at different tax rate	-	(2.09)
Others	(1.04)	1.08
Income tax expense recognised in the statement of profit and loss	**401.38**	**447.31**

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.

*The Company may opt for tax rate of 22% plus surcharge and cess (totaling to 25.17%) as specified under section 115BAA of the Income Tax Act, 1961, while filing return of income for financial year effective April 01, 2025. Consequently, the Company has remeasured deferred tax balances to give effect to the lower rate of income tax under new tax regime. Accordingly, deferred tax balances have been remeasured during the year ended December 31, 2024.

Deferred tax

Deferred tax assets / (liabilities) as at December 31, 2024 in relation to: (Rs. in million)

Particulars	As at January 01, 2024	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	As at December 31, 2024
Property, plant and equipment and Intangible assets	(25.22)	17.00	-	-	(8.22)
Right-of-use assets and lease liabilities	46.20	(2.38)	-	-	43.82
Provision for doubtful debts	15.54	(5.26)	-	-	10.28
Provision for gratuity	92.51	(14.79)	0.50	-	78.22
Other employee benefits	80.74	(21.54)	-	-	59.20
Employee share based payment expense	-	63.22	-	-	63.22
Mark-to-market loss/ (gain) on derivative instruments	(2.18)	16.14	-	-	13.96
MAT credit entitlement	12.63	3.61	-	-	16.24
Total	**220.22**	**56.00**	**0.50**	**-**	**276.72**

Deferred tax assets / (liabilities) as at December 31, 2023 in relation to: (Rs. in million)

Particulars	As at January 01, 2023	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	Others	As at December 31, 2023
Property, plant and equipment and Intangible assets	(30.72)	5.50	-	-	(25.22)
Right-of-use assets and lease liabilities	30.50	15.70	-	-	46.20
Provision for doubtful debts	6.19	9.35	-	-	15.54
Provision for gratuity	81.21	8.82	2.48	-	92.51
Other employee benefits	68.52	12.22	-	-	80.74
Mark-to-market loss/ (gain) on derivative instruments	21.11	(23.29)	-	-	(2.18)
Net gain arising on financial assets measured at FVTPL	(2.01)	2.01	-	-	-
MAT credit entitlement	0.23	7.98	-	4.42	12.63
Total	**175.03**	**38.29**	**2.48**	**4.42**	**220.22**

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R SYSTEMS INTERNATIONAL LTD.

29. Earnings per share

The reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share is as follows:

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Net profit after tax (Rs. in million)	1,485.55	1,734.57
Weighted average number of equity shares for calculating basic earnings per share	118,303,445	118,303,445
Add: Dilutive potential equity shares (refer to Note 11 and Note 37)	5,591,187	-
Weighted average number of equity shares for calculating diluted earnings per share	123,894,632	118,303,445
Earnings per share (Equity share of par value of Re. 1/- each)		
Basic (Rs.)	12.56	14.66
Diluted (Rs.)	11.99	14.66

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R SYSTEMS INTERNATIONAL LTD.

30. Financial instruments

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

(Rs. in million)

Particulars	Note reference	Basis of measurement	As at December 31, 2024		As at December 31, 2023		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
Assets							
Investments in subsidiaries	4	At cost	3,735.19	3,735.19	3,727.55	3,727.55	
Investments in other equity instruments	4	FVTPL	0.03	0.03	0.03	0.03	Level 3
Trade receivables	7	Amortised cost	1,096.09	1,096.09	1,031.33	1,031.33	
Cash and cash equivalents	8a	Amortised cost	387.15	387.15	194.56	194.56	
Other bank balances	8b	Amortised cost	6.06	6.06	940.41	940.41	
Mark-to-market gain on derivative instruments	9	FVTPL	-	-	9.86	9.86	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	670.40	670.40	623.03	623.03	
Total			**5,894.92**	**5,894.92**	**6,526.77**	**6,526.77**	
Liabilities							
Borrowings	13,17	Amortised cost	77.33	77.33	579.18	579.18	
Lease liabilities	14	Amortised cost	554.87	554.87	571.48	571.48	
Trade payables	18	Amortised cost	97.92	97.92	109.98	109.98	
Mark-to-market loss on derivative instruments	19	FVTPL	55.45	55.45	-	-	Level 2
Other financial liabilities (Other than derivative instruments)	15,19	Amortised cost	510.84	510.84	1,127.59	1,127.59	
Total			**1,296.41**	**1,296.41**	**2,388.23**	**2,388.23**	

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.

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R SYSTEMS INTERNATIONAL LTD.

31. Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by team that has the appropriate skills, experience along with supervision. It is the Company's policy that no trading in derivative for speculative purposes shall be undertaken.

Foreign currency risk

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars and Euros). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Rupees may decrease or vice versa.

Derivative financial instruments

The Company holds foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has not applied hedge accounting as these forward contracts do not qualify for hedge accounting. As at December 31, 2024, the Company has recognised mark-to-market liability of Rs. 55.45 million (previous year: mark-to-market asset of Rs. 9.86 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market loss of Rs. 65.31 million (previous year gain of Rs. 107.92 million) for the year ended December 31, 2024 recorded as foreign exchange fluctuation.

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

Particulars	As at December 31, 2024	As at December 31, 2023
USD		
Foreign currency (million)	40.80	36.70
Average rate	85.28	84.12
Rupees (million)	3,479.48	3,087.14
EURO		
Foreign currency (million)	2.10	2.70
Average rate	94.38	93.38
Rupees (million)	198.21	252.12

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of December 31, 2024 and December 31, 2023:

(Rs. in million)

As at December 31, 2024	Designated in foreign currency				Total
	USD	EURO	CAD	Others[#]	
Trade receivables	970.66	34.62	60.11	25.64	1,091.03
Other financial assets	1.83	0.90	0.01	0.06	2.80
Cash and cash equivalents	278.44	4.03	0.47	0.23	283.17
Trade and other payable	226.34	17.29	27.06	0.21	270.90

As at December 31, 2023	Designated in foreign currency				Total
	USD	EURO	CAD	Others[#]	
Trade receivables	998.85	41.17	37.81	33.37	1,111.20
Other financial assets	1.48	-	-	1.72	3.20
Cash and cash equivalents	162.89	7.19	3.91	1.64	175.63
Trade and other payable	123.45	5.32	31.46	-	160.23

[#] Others include currencies such as SGD and GBP.

Foreign currency sensitivity analysis

For the year ended December 31, 2024 and December 31, 2023, 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 1.35% and 1.00%, respectively.

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R SYSTEMS INTERNATIONAL LTD.

31. Financial risk management (contd.)

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company cash flows as well as costs. The Company has availed floating rate borrowings in the form of working capital demand loan and cash credit facility. For the year ended December 31, 2024, every one percentage increase / decrease in interest rates, would result in decrease / increase Company's profit before tax margin by approximately 0.03% (previous year 0.25%).

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from deposits held with banks, investments with financial institutions, as well as credit exposure to clients. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2024
Revenue from top customer	411.88	508.65
Revenue from top 5 customers	1,631.05	1,698.75

No customer accounted for more than 10% of the revenue for the year ended December 31, 2024 and December 31, 2023. Further, no customer accounted for more than 10% of the receivable as at December 31, 2024 and December 31, 2023.

Investments including bank deposits

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

Liquidity risk

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

As at December 31, 2024, the Company had a working capital of Rs. 1,037.66 million including cash and cash equivalents and current fixed deposits of Rs. 389.51 million. As at December 31, 2023, the Company had a working capital of Rs. 608.86 million including cash and cash equivalents and current fixed deposits of Rs. 440.72 million. Accordingly, no liquidity risk is perceived.

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

(Rs. in million)

Particulars	As at December 31, 2024					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Borrowings	65.03	8.64	4.25	2.66	-	**80.58**
Lease liabilities	78.62	78.87	81.20	169.49	499.91	**908.09**
Trade payables	97.92	-	-	-	-	**97.92**
Other financial liabilities	554.11	12.18	-	-	-	**566.29**
Total	**795.68**	**99.69**	**85.45**	**172.15**	**499.91**	**1,652.88**

(Rs. in million)

Particulars	As at December 31, 2023					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Borrowings	564.18	9.81	5.85	3.04	-	**582.88**
Lease liabilities	71.27	78.62	78.87	164.90	585.70	**979.36**
Trade payables	109.98	-	-	-	-	**109.98**
Other financial liabilities	1,115.58	12.01	-	-	-	**1,127.59**
Total	**1,861.01**	**100.44**	**84.72**	**167.94**	**585.70**	**2,799.81**

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R SYSTEMS INTERNATIONAL LTD.

32. 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:

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31, 2023
Total equity attributable to the equity share holders of the Company	**5,131.79**	**4,827.65**
As percentage of total capital	**89.03%**	**80.75%**
Term loans for motor vehicles (including current maturities)	24.47	27.58
Working capital loans from banks	52.86	551.60
Lease liabilities (including current maturities)	554.87	571.48
Total borrowings and lease liabilities	**632.20**	**1,150.66**
As percentage of total capital	**10.97%**	**19.25%**
Total capital (equity, borrowings and lease liabilities)	**5,763.99**	**5,978.31**

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33. Financial Ratios

	Ratio/Measure	Numerator	Denominator	Year ended December 31, 2024	Year ended December 31, 2023	% Variance	Reason for variance
a.	Current Ratio	Current assets	Current liabilities	1.75	1.25	39.44%	Due to decrease in short-term borrowings
b.	Debt-Equity Ratio	Total Debt (borrowings + lease liabilities)	Shareholders' equity	12.32%	23.83%	-48.31%	Due to decrease in short-term borrowings
c.	Debt Service Coverage Ratio	Earnings available for debt service[1]	Debt service[2]	19.78	23.01	-14.01%	
d.	Return on Equity Ratio (%)	Profit for the year	Average shareholders' equity	29.83%	39.74%	-24.93%	
e.	Trade Receivables turnover ratio	Revenue from operations	Average trade receivable	8.57	8.18	4.75%	
f.	Trade payables turnover ratio	Total purchases[3]	Average trade payables	12.55	13.99	-10.25%	
g.	Net capital turnover ratio	Revenue from operations	Average working capital	20.57	15.32	34.26%	Due to decline in average working capital
h.	Net profit ratio (%)	Profit for the year	Revenue from operations	16.30%	19.19%	-15.07%	
i.	Return on Capital employed (%)	Earning before interest and taxes	Capital employed[4]	34.08%	37.85%	-9.95%	
j.	Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Weighted average investments[5]	1.86%	5.87%	-68.41%	Decrease in interest income due to decrease in average investment

Notes:

1 Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses

2 Debt service = Interest and lease payments + Scheduled principal repayments of term loans

3 Total purchases = Other expenses - Contribution towards corporate social responsibility - Provision for doubtful debts - Loss on sale/discard of property, plant and equipment + staff welfare expenses

4 Capital Employed = Shareholders' equity + Total Debt

5 Weighted average investment is the weighted average of amount invested in fixed deposits and mutual funds.

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R SYSTEMS INTERNATIONAL LTD.

34. Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided. The CODM has identified the following as its reportable segments.

a) Information technology services

b) Business process outsourcing services (knowledge service)

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities of the Company are used interchangeably between segments and the CODM does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.

Geographic segments are based on the areas in which the major customers of the Company operate. Although the Company's major operating divisions are managed on a worldwide basis, they operate in four principal geographical areas of the world which are: India, North America, South East Asian countries and Europe.

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R SYSTEMS INTERNATIONAL LTD.

The following table provides required information for reportable segments for the year ended December 31, 2024 and December 31, 2023:

(Rs. in million)

Particulars	Information technology services		Business process outsourcing services		Corporate and others		Total	
	Year ended							
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
REVENUE								
External sales	7,357.95	7,255.31	1,756.45	1,783.56			9,114.40	9,038.87
Total revenue	**7,357.95**	**7,255.31**	**1,756.45**	**1,783.56**			**9,114.40**	**9,038.87**
RESULTS								
Segment results	1,097.98	1,098.85	724.42	780.57			1,822.40	1,879.42
Unallocated corporate expenses					(286.59)	(255.61)	(286.59)	(255.61)
Operating profit							**1,535.81**	**1,623.81**
Finance costs					(77.61)	(81.18)	(77.61)	(81.18)
Interest income					19.14	54.02	19.14	54.02
Other unallocable income (refer Note 36)					409.59	585.24	409.59	585.24
Tax expense					(401.38)	(447.31)	(401.38)	(447.31)
Net profit after tax							**1,485.55**	**1,734.57**
Other segment Information								
Depreciation and amortization	216.15	227.34	9.27	11.14	1.49	1.47	**226.91**	**239.95**

Refer to Note 22 for geography-wise revenue.
Refer to Note 31 on financial risk management for information on revenue from major customers.

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R SYSTEMS INTERNATIONAL LTD.

35. Related Party Disclosure

(i) Names of related parties:

Ultimate holding company	BCP Asia II Holdco II Pte. Ltd. (w.e.f. May 10, 2023)
Holding company	BCP Asia II TOPCO II Pte. Ltd. (w.e.f. May 10, 2023)
Subsidiaries	▪ R Systems (Singapore) Pte Ltd, Singapore ▪ R Systems, Inc., USA ▪ R Systems Technologies Limited, USA ▪ R Systems Consulting Services Limited, Singapore ▪ R Systems Computaris International Limited, UK ▪ RSYS Technologies Limited, Canada ▪ IBIZ Consultancy Services India Private Limited, India (liquidated on April 24, 2023) ▪ Velotio Technologies Private Limited, India (w.e.f. July 03, 2023) o Scaleworx Technologies Private Limited, India (w.e.f. December 01, 2023) ▪ RSIL Mexico, S. de R.L. de C.V., United Mexican States (w.e.f. October 09, 2024) **Following are the subsidiaries of R Systems Consulting Services Ltd, Singapore:** • R Systems Consulting Services (M) Sdn. Bhd., Malaysia • R Systems Consulting Services (Thailand) Co., Ltd., Thailand • R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China • R Systems Consulting Services (Hong Kong) Limited, Hong Kong • R Systems Consulting Services Kabushiki Kaisha, Japan • R Systems Consulting Services Company Limited, Vietnam **Following are the subsidiaries of R Systems Computaris International Limited, UK:** • 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., Phillippines • R Systems Computaris Suisse Sàrl, Switzerland **Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore:** • R Systems IBIZCS Pte. Ltd., Singapore with the following step down subsidiaries: ➢ IBIZ Consulting Services Pte Ltd, Singapore (strike off w.e.f. January 08, 2024) ➢ R Systems IBIZCS Sdn. Bhd., Malaysia ➢ PT RSYSTEMS IBIZCS International, Indonesia ➢ IBIZ Consulting (Thailand) Co. Ltd, Thailand ➢ IBIZ Consulting Services Limited, Hong Kong (IBIZ HK) – IBIZ Consulting Services (Shanghai) Co., Ltd, People's Republic of China (wholly owned subsidiary of IBIZ HK)

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R SYSTEMS INTERNATIONAL LTD.

Names of other related parties with whom transactions have taken place during the year:

Key management personnel	a. Dr. Satinder Singh Rekhi, Managing Director & Chief Executive Officer (resigned w.e.f. May 10, 2023) b. Nitesh Bansal, Managing Director & Chief Executive Officer (appointed w.e.f. May 30, 2023) c. Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director (ceased to be director and key management personnel w.e.f. May 10, 2023) d. Avirag Jain, Director & Chief Technology Officer (ceased to be director and key management personnel w.e.f. May 10, 2023) e. Ruchica Gupta, Chairperson & Non-Executive Independent Director f. Kapil Dhameja, Non-Executive Independent Director g. Aditya Wadhwa, Non-Executive Independent Director h. Mukesh Mehta, Non-Executive Director (appointed w.e.f. May 10, 2023) i. Amit Dalmia, Non-Executive Director (appointed w.e.f. May 10, 2023) j. Animesh Agarwal, Non-Executive Director (appointed w.e.f. May 10, 2023) k. Nand Sardana, Chief Financial Officer l. Bhasker Dubey, Company Secretary & Compliance Officer
Close family members of key management personnel	a. Ramneet Singh Rekhi, (related to Dr. Satinder Singh Rekhi) President – R Systems (ceased to be related party w.e.f. May 10, 2023) b. Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Chief Operating Officer – R Systems USA Operations (ceased to be related party w.e.f. May 10, 2023) c. Harpreet Rekhi, (related to Dr. Satinder Singh Rekhi) (ceased to be related party w.e.f. May 10, 2023)
Person having shareholding of 20% or more, directly or indirectly	Bhavook Tripathi

(ii) Details of transactions with related parties for the year ended December 31, 2024 and December 31, 2023:

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Revenue from information technology and BPO services rendered to		
R Systems Consulting Services Limited, Singapore	65.58	52.86
R Systems, Inc., USA	443.38	109.85
RSYS Technologies Limited, Canada	208.89	148.11
R Systems (Singapore) Pte Ltd, Singapore	35.78	42.85
R Systems Computaris International Limited, UK	2.39	2.00
R Systems Computaris Europe SRL, Romania	76.78	95.99
R Systems IBIZCS Pte. Ltd., Singapore	51.35	43.74
PT RSYSTEMS IBIZCS International, Indonesia	9.97	8.52
R Systems Consulting Services (Thailand) Co. Ltd., Thailand	-	0.02
R Systems IBIZCS SDN. BHD., Malaysia	17.19	1.78
Velotio Technologies Private Limited, India	21.24	0.10
Scaleworx Technologies Private Limited, India	1.41	-
Total	**933.96**	**505.82**
Information technology services received from		
Velotio Technologies Private Limited, India	106.00	8.65
Scaleworx Technologies Private Limited, India	1.86	-
Total	**107.86**	**8.65**
Sales and support services received from		
RSYS Technologies Limited, Canada	125.03	119.87
R Systems Computaris International Limited, UK	25.97	22.16
R Systems, Inc., USA	5.01	0.75
Total	**156.01**	**142.78**
Rent paid by the Company to		
Dr. Satinder Singh Rekhi and Harpreet Rekhi	-	3.52
Velotio Technologies Private Limited, India	0.80	1.79
Total	**0.80**	**5.31**
Travel and other expenses reimbursed by the Company to		
RSYS Technologies Limited, Canada	2.48	6.61
R Systems, Inc., USA	59.32	52.35
R Systems (Singapore) Pte. Ltd, Singapore	-	17.41
R Systems Computaris International Limited, UK	2.15	0.42

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Velotio Technologies Private Limited, India	0.33	0.52
R Systems Consulting Services Limited, Singapore	0.22	-
Total	**64.50**	**77.31**
Travel and other expenses reimbursed to the Company by		
R Systems Consulting Services Limited, Singapore	5.27	4.00
R Systems, Inc., USA	8.61	3.98
R Systems (Singapore) Pte. Ltd, Singapore	1.19	0.36
RSYS Technologies Limited, Canada	0.98	0.49
R Systems IBIZCS Pte. Ltd., Singapore	1.63	0.45
R Systems Computaris International Limited, UK	18.18	12.91
R Systems Computaris Europe S.R.L., Romania	0.19	0.17
Velotio Technologies Private Limited, India	5.85	1.26
Total	**41.90**	**23.62**
Reimbursement towards RSU (not due)		
R Systems, Inc., USA	11.49	-
RSYS Technologies Limited, Canada	11.35	-
R Systems Computaris Europe SRL, Romania	20.56	-
R Systems Computaris Poland sp z o.o, Poland	2.91	-
R Systems Computaris International Limited, UK	1.34	-
Total	**47.65**	**-**
Reimbursement by the Company for purchase of assets to		
R Systems, Inc., USA	0.87	0.03
Total	**0.87**	**0.03**
Reimbursement to the Company for purchase of assets on behalf of		
R Systems, Inc., USA	5.40	-
R Systems Computaris Europe SRL, Romania	0.04	-
Total	**5.44**	**-**
Dividend received from subsidiaries (refer to Note 36)		
R Systems, Inc., USA	-	573.90
R Systems (Singapore) Pte Ltd, Singapore	73.99	-
R Systems Computaris International Limited, UK	177.70	-
Velotio Technologies Private Limited, India	150.04	-
Total	**401.73**	**573.90**

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	Year ended December 31, 2024	Year ended December 31, 2023
Remuneration		
Short term employee benefits	107.89	168.58
Post-employment benefits	0.04	0.35
Other long-term employee benefits	0.25	5.24
Employee share-based payment expenses	125.89	-
Sitting fee to independent directors	1.09	1.65
Total	**235.16**	**175.82**
Dividend Paid (refer to Note 38a)		
BCP Asia II TOPCO II Pte. Ltd.	1,185.66	-
Nand Sardana	3.78	-
Bhavook Tripathi	616.79	-
Total	**1,806.23**	**-**

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R SYSTEMS INTERNATIONAL LTD.

(iii) Outstanding balances of related parties as at December 31, 2024 and December 31, 2023:

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31,2023
Trade receivables		
R Systems Consulting Services Limited, Singapore	10.96	13.58
R Systems, Inc., USA	52.29	18.57
RSYS Technologies Limited, Canada	36.51	45.41
R Systems (Singapore) Pte Ltd, Singapore	7.00	10.24
R Systems Computaris Europe SRL, Romania	6.57	7.47
R Systems Computaris International Limited, UK	-	0.16
PT. RSYSTEMS IBIZCS International, Indonesia	0.66	1.37
R Systems IBIZCS Pte. Ltd., Singapore	4.27	6.40
R Systems IBIZCS SDN. BHD., Malaysia	5.60	1.83
Velotio Technologies Private Limited, India	0.15	-
Scaleworx Technologies Private Limited, India	0.17	-
Total	**124.18**	**105.03**
Other current financial assets		
R Systems Consulting Services Limited, Singapore	5.32	-
R Systems, Inc., USA	43.97	14.83
RSYS Technologies Limited, Canada	13.41	1.62
R Systems (Singapore) Pte. Ltd., Singapore	2.04	1.65
R Systems Computaris Europe SRL, Romania	6.09	5.65
R Systems Computaris International Limited, UK	0.90	0.07
R Systems IBIZCS Pte. Ltd., Singapore	4.43	-
PT. RSYSTEMS IBIZCS International, Indonesia	0.67	-
Velotio Technologies Private Limited, India	1.81	0.10
R Systems IBIZCS SDN. BHD., Malaysia	0.20	-
Scaleworx Technologies Private Limited, India	0.14	-
Total	**78.98**	**23.92**
Recoverable from subsidiaries towards RSU (not due)		
R Systems, Inc., USA	11.49	-
RSYS Technologies Limited, Canada	11.35	-
R Systems Computaris Europe SRL, Romania	20.56	-
R Systems Computaris Poland sp z o.o, Poland	2.91	-
R Systems Computaris International Limited, UK	1.34	-
Total	**47.65**	-

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R SYSTEMS INTERNATIONAL LTD.

(Rs. in million)

Particulars	As at December 31, 2024	As at December 31,2023
Other current assets		
R Systems Consulting Services Limited, Singapore	-	0.38
R Systems, Inc., USA	-	1.86
RSYS Technologies Limited, Canada	1.98	-
R Systems IBIZCS SDN. BHD., Malaysia	2.98	-
Total	**4.96**	**2.24**
Current financial liabilities		
R Systems Consulting Services Limited, Singapore	0.21	-
R Systems, Inc., USA	22.41	11.35
RSYS Technologies Limited, Canada	27.06	31.46
R Systems Computaris International Limited, UK	17.29	5.32
Velotio Technologies Private Limited, India	14.20	2.74
Scaleworx Technologies Private Limited, India	0.38	-
Total	**81.55**	**50.87**
Other current liabilities		
RSYS Technologies Limited, Canada	9.41	0.93
R Systems, Inc., USA	1.40	-
Total	**10.81**	**0.93**
Balance payable to key management personnel		
Nitesh Bansal	45.28	30.15
Nand Sardana	3.76	2.62
Total	**49.04**	**32.77**

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

36. During the year ended December 31, 2024, the Company has received dividend of Rs. 401.73 million from its subsidiaries. The Company had also received dividend from its wholly-owned subsidiary amounting to Rs. 487.81 (net of withholding tax Rs. 86.09 million) during the year ended December 31, 2023. The aforesaid dividend is recorded under "Other Income".

37. Subject to approvals from the Stock Exchanges, Shareholders, Creditors, Hon'ble National Company Law Tribunal, New Delhi and such other regulatory/governmental authorities or persons, as may be required under applicable law, the Board of Directors of R Systems International Limited ("R Systems"/ "Amalgamated Company"), has approved the Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("Velotio" or "Amalgamating Company 1") and Scaleworx Technologies Private Limited ("Scaleworx" or "Amalgamating Company 2") with the Amalgamated Company ("Proposed Scheme") on September 11, 2024 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act").

Upon all the requisite approvals, as per the Proposed Scheme, the Existing Optionally Convertible Redeemable Preference Shareholders of Velotio will be allotted 5,160,833 Optionally Convertible Redeemable Preference Shares of Face Value of Re. 1/- each of R Systems ("R Systems OCRPS"). R Systems OCPRS will be converted into 5,160,833 equity shares of Face Value of Re. 1/- each of R Systems on the completion of their Term and subject to Vesting Factor as per terms defined in the Proposed Scheme.

38. The Company paid the first interim dividend for the year 2024 of Rs. 6/- per equity share of face value of Re. 1/- each on April 12, 2024 and the second interim dividend 2024 of Rs. 6.50/- per equity share of face value of Re. 1/- each on December 05, 2024, aggregating to Rs. 1,478.79 million.

The Board of Directors at its meeting held on December 13, 2023 had declared an interim dividend of Rs. 6.80/- per equity share of face value of Re. 1/- each aggregating to Rs. 804.46 million. As at December 31, 2023, the Company had transferred the interim dividend amount to a separate bank account. The aforesaid interim dividend has been paid on January 09, 2024.

39. Assets held for sale

The Company has entered into an agreement to sell the leasehold land, building and certain other assets situated at its NOIDA office for consideration of Rs. 505 million. Pursuant to this transaction, the Company has received an advance of Rs. 70 million from the buyer.

The assets agreed to be transferred under the deal are recorded at lower of their carrying amount and net realizable value. Details of the assets held for sale are as under:

(Rs. in Million)

Class of Assets	**As at December 31, 2024**
Leasehold Land	10.98
Buildings and leasehold improvements	36.02
Plant and equipment	14.84
Electric installation	0.40
Furniture and fittings	1.55
Computer hardware	0.01
Office equipment	0.20
Total	**64.00**

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R SYSTEMS INTERNATIONAL LTD.

40. 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

(Rs. in million)

Sl. No.	Particulars	Year ended December 31, 2024	Year ended December 31, 2023
A	**Total comprehensive income**	**1,484.07**	**1,729.96**
B	**Add:**		
(i)	Loss on sale / discarding of property, plant and equipment (net)	-	0.10
(ii)	Provision for doubtful debts (net)	-	68.87
(iii)	Deficit in profit and loss on measurement of assets / liabilities at fair value (net)	55.29	-
(iv)	Tax expense (including tax relating to re-measurements of the defined benefit plans)	400.88	444.83
(v)	Depreciation and amortisation expense	226.91	239.95
		683.08	**753.75**
C	**Less:**		
(i)	Profit on sale of property, plant and equipment (net)	0.43	-
(ii)	Depreciation and amortisation expense	226.91	239.95
(iii)	Bad debts written off	57.29	10.60
(iv)	Reversal of provision for doubtful debts	6.75	-
(vi)	Interest income on financial instruments measured at amortised cost	1.63	1.50
(vii)	Surplus in profit and loss on measurement of assets / liabilities at fair value (net)	-	98.05
(viii)	Net gain on disposal / fair valuation of investments	-	4.62
		293.01	**354.72**
Net Profit for the year (A+B-C)		**1,874.14**	**2,128.99**
D	**Add:**		
	Remuneration paid to the whole-time directors	89.58	113.62
E	**Net Profit for the purpose of managerial remuneration**	**1,963.72**	**2,242.61**
	Overall maximum remuneration to all managerial personnel at 10% of the net profits as calculated above	196.37	224.26
	Overall maximum remuneration to individual managerial personnel at 5% of the net profits as calculated above	98.19	112.13

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R SYSTEMS INTERNATIONAL LTD.

41. The standalone financial statements have been approved by the Board of Directors at its meeting held on February 13, 2025.

For and on behalf of the Board of Directors of
R Systems International Limited

Nitesh Bansal
Managing Director &
Chief Executive Officer

DIN : 10170738
Place : Frisco, TX, USA
Date : February 13, 2025

Ruchica Gupta
Chairperson &
Non-Executive
Independent Director

DIN : 06912329
Place : New Delhi
Date : February 13, 2025

Nand Sardana
Chief Financial Officer

Place : NOIDA
Date : February 13, 2025

Bhasker Dubey
Company Secretary &
Compliance Officer

Place : NOIDA
Date : February 13, 2025

Deloitte Haskins & Sells LLP
Chartered Accountants

Deloitte
Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To The Members of Velotio Technologies Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Velotio Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2025, 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 ended on that date, and notes to the financial statements, including a summary of material 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 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2025, 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 financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 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 financial statements.

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 Board Report, but does not include the financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.



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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial controls 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 except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India.

   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 financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to the financial statements.



h) 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.

i) 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31 March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Additionally, audit trail has been preserved by the Company as per the statutory requirements for record retention.



2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal
Partner
(Membership No. 087104)
UDIN: 25087104BMJGVC9794

Place: Gurugram
Date: 08 May, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Velotio Technologies Private Limited ("the Company") as at 31 March, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)



Jitendra Agarwal
Partner
(Membership No. 087104)
UDIN: 25087104BMJGVC9794

Place: Gurugram
Date: 08 May, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, so to cover all the items once every 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all property, plant and equipment were physically verified by the management in the previous year. No such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

(c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned any working capital facility from banks or financial institutions at any point of time of the year and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

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

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Goods and Service Tax and other material statutory dues as applicable to it to the appropriate authorities in all cases during the year.



There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Service Tax and other material statutory dues in arrears as at 31 March, 2025 for a period of more than six months from the date they became payable.

(b) There were no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March, 2025.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) The Company has not taken any short-term funds from any lender. Hence reporting under clause (ix)(d) of the Order is not applicable.

(e) On overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or fully, partly and optionally convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) The provisions of section 177(9) of the Companies Act, 2013 in relation to the whistle blower is not applicable to the Company. Hence, reporting under this clause (xii) (c) is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) The Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) Based on our examination, the Company is not required to establish an internal audit system under section 138 of the Companies Act, 2013. Hence reporting under clause 3(xiv) (a) and (b) of the Order is not applicable.



(xv) During the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount of Rs. 0.08 million, to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. (Refer Note 25(ii) to financial statements.)

(b) The Company did not have any amount remaining unspent under subsection (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)



Jitendra Agarwal
Partner
(Membership No. 087104)
UDIN: 25087104BMJGVC9794

Place: Gurugram
Date: 08 May, 2025

Velotio Technologies Private Limited
Balance Sheet as at March 31, 2025
CIN: U72100DL2016PTC434014

(Rs. in million)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3a	25.22	25.36
(b) Goodwill	3b	1.23	1.23
(c) Other Intangible assets	3c	6.80	10.21
(d) Right-of-use assets	3d	2.23	14.05
(e) Financial assets			
(i) Investments	4	52.51	52.51
(ii) Other financial assets	5	8.09	43.47
(f) Deferred tax assets (net)	26	41.30	56.46
(g) Non-current tax assets (net)	6	13.54	-
Total non-current assets (A)		**150.92**	**203.29**
B. Current assets			
(a) Financial assets			
(i) Trade receivables	7	274.10	260.85
(ii) Cash and cash equivalents	8a	250.02	160.26
(iii) Bank balances other than cash and cash equivalents	8b	15.00	-
(iv) Other financial assets	9	37.35	19.10
(b) Other current assets	10	22.21	26.23
Total current assets (B)		**598.68**	**466.44**
Total assets (A+B)		**749.60**	**669.73**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11.1	0.11	0.11
(b) Convertible preference shares	11.2	0.12	0.12
(c) Other equity	12	443.08	314.63
Total equity (A)		**443.31**	**314.86**
Liabilities			
B. Non-current liabilities			
(a) Provisions	13	53.37	40.27
Total non-current liabilities (B)		**53.37**	**40.27**
C. Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14	2.08	15.32
(ii) Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		1.69	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		17.53	14.97
(iii) Other financial liabilities	16	179.53	230.33
(b) Other current liabilities	17	22.62	33.63
(c) Provisions	18	29.47	18.89
(d) Current tax liabilities (net)	19	-	1.46
Total current liabilities (C)		**252.92**	**314.60**
Total liabilities (B+C)		**306.29**	**354.87**
Total equity and liabilities (A+B+C)		**749.60**	**669.73**
Notes forming integral part of the financial statements	1-35		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner
Membership No. 087104

Place : Gurugram
Date : May 08, 2025

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited

Kalpak Shah
Director & Chief Executive Officer
DIN: 02940976

Place : Pune
Date : May 08, 2025

Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : May 08, 2025

Velotio Technologies Private Limited
Statement of Profit and Loss for the year ended March 31, 2025
CIN: U72100DL2016PTC434014

(Rs. in million, except per share data)

	Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
	Income			
I	Revenue from operations	20	1,463.43	1,370.21
II	Other income	21	23.28	10.08
III	**Total income (I+II)**		**1,486.71**	**1,380.29**
IV	**Expenses**			
	(i) Employee benefits expense	22	837.98	929.62
	(ii) Finance costs	23	0.75	3.55
	(iii) Depreciation and amortisation expenses	24	30.06	30.34
	(iv) Other expenses	25	240.25	343.25
	Total expenses (IV)		**1,109.04**	**1,306.76**
V	**Profit/(Loss) before tax (III-IV)**		**377.67**	**73.53**
VI	**Tax expense**	26		
	(i) Current tax		77.75	92.11
	(ii) Deferred tax charge/ (credit)		16.74	(44.05)
	Total tax expense		**94.49**	**48.06**
VII	**Profit/(Loss) for the year (V-VI)**		**283.18**	**25.47**
VIII	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	Re-measurements of the defined benefit plans		(6.26)	(8.92)
	Deferred tax relating to re-measurements of the defined benefit plans		1.57	2.24
	Total other comprehensive loss		**(4.69)**	**(6.68)**
IX	**Total comprchensive income/(loss) for the year (VII+VIII)**		**278.49**	**18.79**
X	**Earning per share (EPS)**	27		
	Equity share of par value of Re 1/- each			
	Basic		2,555.48	229.85
	Diluted		1,206.75	108.54
	Notes forming integral part of the financial statements	1-35		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner
Membership No. 087104

Place : Gurugram
Date : May 08, 2025

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited

Kalpak Shah
Director & Chief Executive Officer
DIN: 02940976

Place : Pune
Date : May 08, 2025

Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : May 08, 2025

Velotio Technologies Private Limited
Statement of cash flows for the year ended March 31, 2025
CIN: U72100DL2016PTC434014

(Rs in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flows from operating activities		
Profit/(loss) for the year	283.18	25.47
Adjustments for:		
Tax expense	94.49	48.06
Depreciation and amortisation expenses	30.06	30.34
Provision for/ (reversal from) doubtful debts (net)	(11.23)	14.41
Assets written off/ (Liabilities) written back	0.26	(2.54)
Unrealised foreign exchange gain	(3.21)	-
Unrealised loss/(gain) on derivative instruments	0.04	(4.50)
Interest income	(8.81)	(5.09)
Loss on sale of property, plant and equipment (net)	0.01	0.29
Interest expenses	0.75	3.55
Operating profit/(loss) before working capital changes	**385.54**	**109.99**
Movements in working capital:		
(Increase) / Decrease in trade receivables	1.18	(39.69)
(Increase) / Decrease in other assets	4.33	28.44
Increase / (Decrease) in provisions	17.42	10.84
Increase / (Decrease) in trade payables and other liabilities	(57.54)	70.55
Cash generated from operations	**350.93**	**180.13**
Direct taxes paid, net of refunds	(92.84)	(121.27)
Net cash from/ (used in) operating activities (A)	**258.09**	**58.86**
B. Cash flows from investing activities		
Purchase of Property, plant and equipment	(12.04)	(8.27)
Proceeds from sale of Property, plant and equipment	0.07	0.10
Proceeds from fixed deposits with scheduled banks (net)	2.50	-
Interest received	7.90	4.23
Acquisition of Subsidiary company (Refer to Note no. 4)	-	(42.50)
Net cash used in investing activities (B)	**(1.57)**	**(46.44)**
C. Cash flows from financing activities		
Payment of lease rental (refer to Note 14)	(16.73)	(15.96)
Payment of Interim dividend (refer to Note 33)	(150.04)	-
Net cash used in financing activities (C)	**(166.77)**	**(15.96)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	89.75	(3.54)
Add: Cash and cash equivalents at the beginning of the year	160.26	163.80
Add: Effect of exchange rate changes on cash and cash equivalents held in foreign currency	0.01	-
Cash and cash equivalents at the end of the year	**250.02**	**160.26**

Notes forming integral part of the financial statements 1-35

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner
Membership No. 087104

Place : Gurugram
Date : May 08, 2025

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited

Kalpak Shah
Director & Chief Executive Officer
DIN: 02940976

Place : Pune
Date : May 08, 2025

Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : May 08, 2025

Velotio Technologies Private Limited
Statement of Changes in Equity for the year ended March 31, 2025
CIN: U72100DL2016PTC434014

A. 1. Equity share capital

(Rs. in million)

Balance as at April 01, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
0.11	-	0.11

Balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
0.11	-	0.11

2. Optionally convertible redeemable preference shares (OCRPS) classified as Equity

(Rs. in million)

Balance as at April 01, 2024	Changes in OCRPS during the year	Balance as at March 31, 2025
0.12	-	0.12

Balance as at April 01, 2023	Changes in OCRPS during the year	Balance as at March 31, 2024
-	0.12	0.12

B. Other equity

(Rs. in million)

Particulars	Retained earnings	Amount
Balance as at April 01, 2024	**314.63**	**314.63**
Profit for the year	283.18	283.18
Other comprehensive loss for the year	(4.69)	(4.69)
Interim dividend paid (refer to Note 33)	(150.04)	(150.04)
Balance as at March 31, 2025	**443.08**	**443.08**
Balance as at April 01, 2023	**295.96**	**295.96**
Profit for the year	25.47	25.47
Other comprehensive loss for the year	(6.68)	(6.68)
Issue of optionally convertible redeemable preference shares (refer to Note 11.2)	(0.12)	(0.12)
Balance as at March 31, 2024	**314.63**	**314.63**

Loss of Rs. 4.69 million and Rs. 6.68 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the year ended March 31, 2025 and year ended March 31, 2024, respectively.

Notes forming integral part of the financial statements 1-35

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner
Membership No. 087104

Place : Gurugram
Date : May 08, 2025

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited

Kalpak Shah
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Date : May 08, 2025

Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : May 08, 2025

1. Nature of operations

Velotio Technologies Private Limited (the 'Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013 since 2016 having its registered office at New Delhi. The Company specializes in helping technology companies build massive engineering teams. The Company strives to solve complex tech problems and have a specialised skillset in Cloud and DevOPs, Data Engineering, Media and Streaming and development of Web and Mobile Applications.

2. Summary of material accounting policies

(a) Basis of preparation and presentation

These financial statements are 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 and other accounting principles generally accepted in India.

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.

The financial statements have been prepared on accrual and going concern basis and under the historical cost convention except for certain financial instruments, net defined benefit obligations and other long-term employee benefits which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of services rendered to customers and the time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration of the services rendered, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been presented in million and rounded-off upto two decimal places, unless otherwise indicated.

(c) 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.

When significant parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major component) of property plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

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 retirement i.e. when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal or retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment received but not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP), respectively.

(d) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values using the straight line method ('SLM') over the useful lives of the assets estimated by the management. The assets residual values and useful lives are reviewed at each reporting 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 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
Right of use Asset	Lease period
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.

(e) 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.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The management estimates the useful life as follows:

Category	Useful life
Licences and franchise (Customer Relationship)	5 years

(f) 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.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(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 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

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

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, other than investment in subsidiary, 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 company

Investment in subsidiary company is measured at cost.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

(i) For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

(ii) Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.





(iii) For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(h) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost

  Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is recognised as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss (FVTPL)

  Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(i) 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. Further, the Company considers information developed internally or obtained from external sources indicating that the debtor is unlikely to pay as constituting an event indicating credit impairment.

For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii. Impairment of investment in subsidiary:

The Company assesses investments in subsidiary for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

iii. Non-financial assets

The Company's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(j) 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 years 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) Leases

Where the Company is a lessee

The Company's lease asset classes primarily consist of leases for land, buildings 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.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company 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 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.

(l) Revenue

The Company derives revenue primarily from information technology. The Company recognises revenue when the performance obligations as promised have been satisfies with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration.

The Company has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company collects Goods and Service Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

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 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.
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

(m) 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 are recognised as income or expenses in the statement of profit and loss.

(n) Other income

Other income is comprised primarily of interest income and net gain on foreign exchange fluctuations. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate.

(o) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all related employee benefits. The related risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

(i) Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences and performance incentives are recognised on undiscounted basis in the year in which the employee renders the related service.

(ii) The Company's contribution to provident fund 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.

(iii) Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to statement of profit and loss subsequently.

The provision for gratuity recognised in the balance sheet represents the present value of the defined benefit obligations. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.





(iv) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. The actuarial gains and losses are recognised in the statement of profit and loss. Non-accumulating compensated absences are recognised in the period in which the absences occur.

The Company presents the entire Compensated absences liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(p) Income taxes

Tax expense comprises current and deferred tax. It is recognised in statement of 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. 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 tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. 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.

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.

(q) 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.

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.





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.

(r) 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.

(s) 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.

(t) 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 company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in capital reserve.

b. Intangible assets
Ind AS 103 requires the identifiable intangible assets to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by independent valuation experts.

(u) Cash and cash equivalents

Cash and cash equivalents comprises bank balances, cash on hand and short term deposits with an original maturity period of three months or less.

(v) Use of estimates and judgements

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 year in which the estimates are revised and in any future years affected.

Critical accounting estimates and judgements

i. Useful life of property, plant and equipment

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.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

ii. Impairment of investments

The Company reviews its carrying value of investments at each Balance Sheet date, or more frequently when there is an indication that the carrying amount may not be recoverable. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iii. Employee benefit plans

The present value of provision for gratuity and compensated absence is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, provision for gratuity and compensated absence is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

Application of new and revised Indian Accounting Standards

a) On August 12, 2024, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2024 effective from August 12, 2024 and amended the following Ind-ASs:
   - Amendments to Ind AS 1 - Presentation of Financial Statements
   - Amendments to Ind AS 103 - Business Combinations

b) On September 09, 2024, MCA issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 effective from September 9, 2024 and amended the following Ind-AS:
   - Amendments to Ind AS 116 - Leases"

c) On September 28, 2024, MCA issued the Companies (Indian Accounting Standards) Third Amendment Rules, 2024 effective from September 28, 2024 and amended the following:
   - Amendments to Rule 5 of Companies (Indian Accounting Standards) Rules, 2015.

The amendments did not have any material impact on the financial statements of the Company.

Amendments issued during the year which are not yet effective.
There are no new amendments which has been issued during the year and are not yet effective.

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3 (a) Property, plant and equipment (Rs. in million)

Particulars	Furniture and fittings	Computer Hardware	Vehicles	Office equipment	Total
At cost					
Gross Block					
As at April 1, 2023	3.02	38.77	14.42	1.80	**58.01**
Additions	-	8.48	-	0.25	**8.73**
Disposals	(0.96)	(9.89)	-	(0.91)	**(11.76)**
As at March 31, 2024	**2.06**	**37.36**	**14.42**	**1.14**	**54.98**
Additions	-	11.67	-	0.06	**11.73**
Disposals	-	(1.45)	-	-	**(1.45)**
As at March 31, 2025	**2.06**	**47.58**	**14.42**	**1.20**	**65.26**
Accumulated Depreciation					
As at April 1, 2023	1.29	23.28	2.84	1.32	**28.73**
Charge for the year	0.30	9.90	1.81	0.25	**12.26**
Disposals	(0.83)	(9.63)	-	(0.91)	**(11.37)**
As at March 31, 2024	**0.76**	**23.55**	**4.65**	**0.66**	**29.62**
Charge for the year	0.21	9.57	1.80	0.24	**11.82**
Disposals	-	(1.40)	-	-	**(1.40)**
As at March 31, 2025	**0.97**	**31.72**	**6.45**	**0.90**	**40.04**
Net block					
As at March 31, 2024	**1.30**	**13.81**	**9.77**	**0.48**	**25.36**
As at March 31, 2025	**1.09**	**15.86**	**7.97**	**0.30**	**25.22**

3 (b) Goodwill (Rs. in million)

Particulars	Total
As at March 31, 2024	**1.23**
As at March 31, 2025	**1.23**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

3 (c) Other Intangible assets (Rs. in million)

Particulars	Total
At cost	
Licences and franchise	
Gross Block	
As at April 1, 2023	**17.05**
As at March 31, 2024	**17.05**
As at March 31, 2025	**17.05**
Accumulated amortisation	
As at April 1, 2023	**3.42**
Charge for the year	3.42
As at March 31, 2024	**6.84**
Charge for the year	3.41
As at March 31, 2025	**10.25**
Net Block	
As at March 31, 2024	**10.21**
As at March 31, 2025	**6.80**

3 (d) Right-of-use assets (Rs. in million)

Particulars	Total
At cost	
Building	
Gross block	
As at April 1, 2023	**43.38**
As at Mar 31, 2024	**43.38**
Modification of lease	3.01
As at March 31, 2025	**46.39**
Accumulated depreciation	
As at April 1, 2023	**14.66**
Charge for the year	14.66
As at Mar 31, 2024	**29.33**
Charge for the year	14.83
As at March 31, 2025	**44.16**
Net Block	
As at Mar 31, 2024	**14.05**
As at March 31, 2025	**2.23**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
4 Investments		
Non Current Investment		
Investment in subsidiary, measured at cost		
Investment in Scaleworx Technologies Private Limited		
14,666 (March 31, 2024: 14,666) shares of Rs 10 each	52.51	52.51
Total investment in subsidiary	**52.51**	**52.51**

Note:
During the previous year, the Company held 40% equity share capital of Scaleworx Technologies Private Limited ("Scaleworx"), an erstwhile associate of the Company till November 30, 2023. On December 1, 2023, the Company acquired remaining 60% equity share capital of Scaleworx at a purchase consideration of Rs. 42.50 million. Subsequent to the aforesaid acquisition, Scaleworx had become a wholly-owned subsidiary of the Company.

5. Other non-current financial assets		
Unsecured, considered good		
Security deposits	0.03	0.03
Margin money deposits (refer to Note 8b)	8.00	43.00
Interest accrued on bank deposits	0.06	0.44
	8.09	**43.47**
6. Non-current tax assets (net)		
Unsecured, considered good		
Advance income tax	13.54	-
	13.54	**-**
7. Trade receivables		
Unsecured, considered good	274.10	260.85
Unsecured, credit impaired	5.96	25.25
Less: Allowance for doubtful debts (expected credit loss allowance)	(5.96)	(25.25)
	274.10	**260.85**

Refer to Note 32 for related party balances.

Particulars	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025							
Undisputed, considered good	128.80	144.68	0.62	-	-	-	**274.10**
Undisputed, credit impaired	0.05	0.72	1.46	2.77	0.96	-	**5.96**
As at March 31, 2024							
Undisputed, considered good	130.86	128.56	1.42	-	-	-	**260.84**
Undisputed, credit impaired	2.07	10.26	3.70	9.22	-	-	**25.25**

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*				
Particulars	**Not due**	**0-90 days**	**90-180 days**	**180-365 days**	**More than 365 days**
Default rate as at March, 31, 2025	0.04%	0.07%	0.54%	1.04%	2.00%
Default rate as at March, 31, 2024	0.04%	0.07%	0.54%	1.04%	2.00%

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

(Rs. in million)

Movement in expected credit loss allowance	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning of the year	25.25	10.84
Provision for/ (reversal from) doubtful debts (net)	(11.23)	14.41
Bad debts written off	(8.28)	-
Effect of foreign exchange fluctuation	0.22	-
Balance at the end of the year	**5.96**	**25.25**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
8a. Cash and cash equivalents		
(a) Cash on hand	0.02	0.02
(b) Balances with scheduled banks		
(i) in current accounts	171.16	124.66
(ii) in EEFC accounts	0.37	-
(iii) in deposit accounts with original maturity of less than 3 months	78.47	35.58
Cash and cash equivalents	**250.02**	**160.26**
8b. Bank balances other than cash and cash equivalents		
(a) In other deposit accounts		
(i) original maturity more than 12 months - current	17.50	-
(ii) original maturity more than 3 months but less than 12 months	15.00	-
(iii) held as margin money	8.00	43.00
Deposits with banks carried at amortised costs	**40.50**	**43.00**
Less: Bank deposits with original maturity of more than 12 months- current disclosed under Note 9	(17.50)	-
Less: Margin money deposit disclosed under Note 5	(8.00)	(43.00)
Bank balances other than cash and cash equivalents	**15.00**	**-**
9. Other current financial assets		
Security deposits	9.06	8.37
Staff advance	3.37	2.39
Unbilled revenue (refer to Note 20 and Note 32)	6.86	8.25
Mark-to-market gain on derivative instruments	-	0.04
Bank deposits with original maturity of more than 12 months (refer to Note	17.50	-
Interest accrued on bank deposits	0.47	0.05
Other receivables	0.09	-
	37.35	**19.10**
10. Other current assets		
Balance with indirect tax authorities	16.90	18.30
Unbilled revenue (refer to note 20)	1.18	2.90
Prepaid expenses	4.13	5.03
	22.21	**26.23**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
11.1 Equity Share capital		
Authorised		
375,000 (March 31, 2024: 375,000) equity shares of Re. 1 each	0.38	0.38
	0.38	**0.38**
Issued, subscribed and fully paid		
110,813 (March 31, 2024 31, 2023: 110,813) equity shares of Re. 1 each	0.11	0.11
	0.11	**0.11**

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Rs in million	Number of shares	Rs in million
At the beginning of the year	1,10,813	0.11	1,10,813	0.11
Issue of shares during the year	-	-	-	-
Cancellation of shares during the year		-	-	-
Outstanding at the closing of the year	**1,10,813**	**0.11**	**1,10,813**	**0.11**

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of Re. 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 company:

Particulars	As at March 31, 2025	As at March 31, 2024
R Systems International Limited	110,813	110,813

No shares are held by the ultimate holding company. Refer to Note 32 with respect to ultimate holding company.

(d) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% of Holding	No. of shares held	% of Holding
R Systems International Limited	1,10,813	100.00%	1,10,813	100.00%

As per secretarial records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares.

(e) Shareholding of promoters

Name of promoter	As at March 31, 2025		As at March 31, 2024		Percentage change during the year ended March 31, 2025
	No. of shares held	% of Holding	No. of shares held	% of Holding	
R Systems International Limited	1,10,813	100.00%	1,10,813	100.00%	-

(f) 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:

Nil

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
11.2 Convertible preference Share capital		
Authorised		
125,000 (March 31, 2024: 125,000) Preference Shares known as optionally convertible redeemable preference shares (OCRPS) of Re. 1 each	0.13	0.13
	0.13	**0.13**
Issued, subscribed and fully paid up		
0.0001% Non cumulative optionally convertible redeemable preference Shares (OCRPS) 123,850 (March 31, 2024: 123,850) OCRPS of Re. 1 each	0.12	0.12
	0.12	**0.12**

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Rs in million	Number of shares	Rs in million
At the beginning of the year	1,23,850	0.12	-	-
Issue of shares during the year	-	-	1,23,850	0.12
Cancellation of shares during the year	-	-	-	-
Outstanding at the closing of the year	**1,23,850**	**0.12**	**1,23,850**	**0.12**

(b) Terms/rights attached to optionally convertible redeemable preference shares:

The Company has only one class of 0.0001% Non cumulative optionally convertible and redeemable preference shares having par value of Re. 1 per share. The OCRPS may be converted into equity shares. The holders of the OCRPS shall not have the right to participate in dividend along with the holders of Equity Share.

(c) Details of optionally convertible redeemable preference shareholders holding more than 5% shares in the Company

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Kalpak Shah	55,881	45.12%	55,881	45.12%
Chirag Jog	55,881	45.12%	55,881	45.12%
Madhur Nawandhar	10,527	8.50%	10,527	8.50%

As per secretarial records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares.

(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:

Bonus Issue:

On June 02, 2023, the Company has allotted bonus shares in the form of Optionally convertible redeemable preference shares ("OCRPS") of Re. 1/- each in ratio of 1.12:1 [i.e. 1.12 fully paid up Optionally Convertible Redeemable Preference Shares for every 1 equity share held.]. The OCRPS are allocated by capitalization of profits transferred from retained earnings amounting to Rs 0.12 million.

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
12. Other equity		
Retained earnings	443.08	314.63
	443.08	**314.63**

Note:

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

13. Provisions (non-current)		
Provision for employee benefits		
- Gratuity	53.37	40.27
	53.37	**40.27**

Refer to Note 22 for detailed disclosures for gratuity.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

rticulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities		
Non-current	-	-
Current	2.08	15.32

Movement schedule of lease liabilities is as follows: (Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	15.32	29.22
Interest accrued on lease liabilities	0.66	2.06
Modification of leases	2.83	-
Payment of lease rentals	(16.73)	(15.96)
Closing balance	**2.08**	**15.32**

Trade payables

Trade payables ageing schedule: (Rs. in million)

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 year**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2025					
Micro enterprises and small enterprises	1.69	-	-	-	1.69
Others	4.42	-	-	-	4.42
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	6.11	-	-	-	**6.11**
Accrued expenses	-	-	-	-	13.11
					19.22

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 year**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2024					
Micro enterprises and small enterprises	-	-	-	-	-
Others	4.11	-	-	-	4.11
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	4.11	-	-	-	**4.11**
Accrued expenses	-	-	-	-	10.86
					14.97

Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, following are the dues to such suppliers.

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	1.69	-
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 period	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 period) 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 period; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding periods, 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

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VELOCITY TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
16. Other current financial liabilities		
Payable to Related parties (Refer to Note 32)	18.32	9.75
Employee benefits payable	161.21	220.27
Capital Creditors	-	0.31
	179.53	**230.33**
17. Other current liabilities		
Statutory dues payable	22.62	30.37
Unearned Revenues (Refer to Note 20)	-	3.26
	22.62	**33.63**
18. Provisions (current)		
Provision for employee benefits		
- Gratuity	8.96	5.86
- Compensated absences	20.51	13.03
	29.47	**18.89**
Refer to Note 22 for detailed disclosures for gratuity.		
19. Current tax liabilities (net)		
Current tax liability	-	1.46
	-	**1.46**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
20. Revenue from operations		
Sale of services	1,463.43	1,370.21
	1,463.43	**1,370.21**

Disaggregate revenue information

The table below presents disaggregated revenues from the Company's contracts with customers by geography. 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:

India	245.93	118.88
North America	1,194.47	1,214.10
South East Asia	9.48	31.77
Europe	13.55	5.46
	1,463.43	**1,370.21**

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue.

Revenue for time and material contracts are recognised as related service are performed. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts as revenue. The company has applied the practical expedients as given in IND AS 115, accordingly 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 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.

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
21. Other income		
Interest income on		
- Bank deposit	7.94	4.22
- Financial instruments measured at amortised cost	0.87	0.76
- Income tax refund	-	0.11
Rental Income	0.30	2.45
Foreign exchange fluctuation (net)	2.87	-
Liabilities written back	-	2.54
Provision reversed from doubtful debts (net)	11.23	-
Miscellaneous income	0.07	-
Total other income	**23.28**	**10.08**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
22. Employee benefits expense		
Salaries, wages and bonus	794.09	887.81
Gratuity expenses	14.52	12.55
Contribution to provident and other funds	14.95	10.48
Staff welfare expenses	14.42	18.78
	837.98	**929.62**

(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 and corresponding rules, and will record any related impact in the year when they become effective.

(b) Gratuity

The Company has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with "Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company.

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

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Service cost	11.42	10.68
Net interest cost	3.10	1.87
Net gratuity expense recognised in profit and loss	**14.52**	**12.55**
Re-measurement loss / (gain) recognised in other comprehensive income	**6.26**	**8.91**
Total Cost Recognised in total comprehensive income	**20.78**	**21.46**

Details of defined benefit gratuity plan: (Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation	62.33	46.13
Net defined benefit obligation	**62.33**	**46.13**

Changes in the defined benefit obligation are as follows: (Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening defined benefit obligation	46.13	26.44
Service cost	11.42	10.68
Interest cost	3.10	1.87
Benefits paid	(4.58)	(1.77)
Actuarial (gains) / losses on obligation	6.26	8.91
Closing defined benefit obligation	**62.33**	**46.13**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

Amounts recognised in other comprehensive income (OCI): (Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Actuarial (gain) / loss due to change in demographic assumption of defined benefit obligation	-	-
Actuarial (gain) / loss due to change in financial assumption of defined benefit obligation	1.69	0.28
Actuarial (gain) / loss from change in experience adjustment of defined benefit obligation	4.57	8.63
Re-measurement loss / (gain) recognised in OCI	**6.26**	**8.91**

Sensitivity Analysis

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

(Rs. in million)

Defined Benefit Obligation	As at March 31, 2025	As at March 31, 2024
Discount rate		
a. Discount rate - 100 basis points	65.31	48.38
b. Discount rate + 100 basis points	59.61	44.07
Salary increase rate		
a. Rate - 100 basis points	60.00	44.14
b. Rate + 100 basis points	64.72	48.19

Maturity Profile of Defined Benefit Obligation

(Rs. in million)

Expected Future Cash flows (undiscounted)	As at March 31, 2025	As at March 31, 2024
Year 1	8.96	5.86
Year 2	9.58	6.88
Year 3	9.87	7.17
Year 4	8.98	7.25
Year 5	8.05	6.45
Year 6 to 10	25.52	20.42
Above 10 years	17.54	14.49

The principal assumptions used in determining gratuity are shown below:

(A) Financial Assumptions

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.56%	7.17%
Salary Increment rate	10.00%	10.00%

(B) Demographic Assumptions

	As at March 31, 2025	As at March 31, 2024
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	22%	22%
Retirement age	60 Yrs	60 Yrs

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
23. Finance costs		
Interest expense on lease liabilities (Refer to note 13)	0.66	2.06
Interest expense under income tax	0.09	1.49
	0.75	**3.55**
24. Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	11.82	12.26
Depreciation on right-of-use assets	14.83	14.66
Amortisation of intangible assets	3.41	3.42
	30.06	**30.34**
25. Other expenses		
Power and fuel	2.68	2.06
Rent - premises	-	0.01
Rent - equipment	0.04	-
Software subscription charges	8.82	0.37
Repair and maintenance- others	2.52	1.77
Traveling and conveyance	3.50	5.92
Communication costs	1.12	0.92
Legal and professional fees (including subcontracting expenses)	207.47	292.32
Auditors' remuneration (refer detail below)	3.73	4.97
Foreign exchange fluctuation (net)	-	0.96
Provision for doubtful debts (net)	-	14.41
Loss on sale / disposal of property, plant and equipment (net)	0.01	0.29
Contribution towards corporate social responsibility	2.55	2.35
Miscellaneous expenses	7.81	16.90
	240.25	**343.25**

Detail of auditors remuneration

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
As auditor:		
- Statutory audit fee	1.00	1.10
- Quarterly audit fee	2.30	3.50
- Tax audit fee	-	0.18
- Out-of-pocket expenses	0.43	0.19
	3.73	**4.97**

(ii) Contribution towards corporate social responsibility (CSR)

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amount required to be spent by the Company during the year	2.55	2.35
Amount spend by the Company during the year	2.47	2.35
Shortfall at the end of the year	0.08	-

Nature of CSR activities:

The Company has spent on the following projects/initiatives:

1. Empowering Women
2. Employment enhancing vocation skills
3. Eradicating hunger

Note: The unspent amount of Rs 0.08 millions was transferred to a specified fund "PM Cares" on 2nd May, 2025.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
26. Income tax		
Current income tax		
In respect of the current year	77.75	92.11
Deferred tax charge / (credit)	16.74	(44.05)
Income tax expense recognised in the statement of profit and loss	**94.49**	**48.06**
Income tax recognised in other comprehensive income		
Deferred tax credit relating to re-measurements of the defined benefit plans	(1.57)	(2.24)
	92.92	**45.82**

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:

Profit before tax	377.67	73.53
Enacted income tax rate in India	25.168%	25.168%
Computed expected tax expense	95.05	18.51
Tax effect of:		
Expenses that are not deductible in determining taxable profit	0.82	29.70
Others	(1.38)	(0.15)
Income tax expense recognised in the statement of profit and loss	**94.49**	**48.06**

Deferred tax

Deferred tax assets / (liabilities) as at March 31, 2025 in relation to: (Rs. in million)

Particulars	As at April 01, 2024	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at March 31, 2025
Property, plant and equipment and Intangible assets	(0.13)	0.72	-	0.59
Right-of-use assets and lease liabilities	0.52	(0.53)	-	(0.01)
Provision for/ (reversal from) doubtful debts (net)	6.35	(4.85)	-	1.50
Provision for gratuity	11.61	2.51	1.57	15.69
Other employee benefits	38.12	(15.32)	-	22.80
Mark-to-market loss/ (gain) on derivative instruments	(0.01)	0.01	-	-
Other temporary difference	-	0.73	-	0.73
Total	**56.46**	**(16.74)**	**1.57**	**41.30**

Deferred tax assets / (liabilities) as at March 31, 2024 in relation to: (Rs. in million)

Particulars	As at April 01, 2023	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at March 31, 2024
Property, plant and equipment and Intangible assets	(1.15)	1.02	-	(0.13)
Right-of-use assets and lease liabilities	0.52	-	-	0.52
Provision for/ (reversal from) doubtful debts (net)	2.95	3.41	-	6.35
Provision for gratuity	6.65	2.71	2.24	11.61
Other employee benefits	5.17	32.95	-	38.12
Mark-to-market loss/ (gain) on derivative instruments	1.12	(1.13)	-	(0.01)
Other temporary difference	(5.09)	5.09	-	-
Total	**10.17**	**44.05**	**2.24**	**56.46**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

27. Earning per share (EPS)

The reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net profit after tax (Rs. in million)	283.18	25.47
Weighted average number of equity shares for calculating basic earning per share	1,10,813	1,10,813
Add: Dilutive potential equity shares (Refer to Note 11.2)	1,23,850	1,23,850
Weighted average number of equity shares for calculating diluted earning per share	2,34,663	2,34,663
Earnings per share (Equity share of par value of Re. 1/- each)		
Basic (Rs.)	2,555.48	229.85
Diluted (Rs.)	1,206.75	108.54

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

28. Financial instruments

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

(Rs. in million)

Particulars	Note reference	Basis of measurement	As at March 31, 2025		As at March 31, 2024		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
Assets							
Investments	4	At cost	52.51	52.51	52.51	52.51	
Trade receivables	7	Amortised cost	274.10	274.10	260.85	260.85	
Cash and cash equivalents	8a	Amortised cost	250.02	250.02	160.26	160.26	
Other bank balances	8b	Amortised cost	15.00	15.00	-	-	
Mark-to-market gain on derivative instruments	10	FVTPL	-	-	0.04	0.04	Level 2
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	45.44	45.44	62.53	62.53	
Total			**637.07**	**637.07**	**536.19**	**536.19**	
Liabilities							
Lease liabilities	14	Amortised cost	2.08	2.08	15.32	15.32	
Trade payables	15	Amortised cost	19.22	19.22	14.97	14.97	
Other financial liabilities (Other than derivative instruments)	16	Amortised cost	179.53	179.53	230.33	230.33	
Total			**200.83**	**200.83**	**260.62**	**260.62**	

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.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

29. 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 Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

The primary market risks to the Company are foreign exchange risk and Credit risk. For foreign exchange risk, the Company generally 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 alongwith supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

Foreign currency risk

The Company's exchange risk arises from its foreign currency revenue i.e. in U.S. Dollars. A significant portion of the Company's revenues are in US Dollar, 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 generally 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 March 31, 2025, the Company has recognised mark-to-market asset of Rs Nil (March 31, 2024: Rs 0.04 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market loss of Rs. 0.04 million for the year ended March 31, 2025 and mark-to-market gain of Rs 4.50 million for the year ended March 31, 2024 recorded as foreign exchange fluctuation.

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

Particulars	As at March 31, 2025*	As at March 31, 2024
USD		
Foreign currency- USD (million)	-	1.15
Average rate	-	83.27
Rupees (million)	-	95.76

* The company has no outstanding forward contracts as at March 31, 2025

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of March 31, 2025 and March 31, 2024:

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Designated in USD:		
Trade receivables	257.48	262.95
Cash and cash equivalents	0.37	-
Trade and other payable	1.20	2.97

Foreign currency sensitivity analysis

For the year ended March 31, 2025 and year ended March 31, 2024, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Company's profit/(loss) before tax margin by approximately 0.68% and 2.24% respectively.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

29. Financial risk management (contd.)

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:

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from top customer	164.83	157.55
Revenue from top 5 customers	540.91	436.90

Revenue from one customer accounts for more than 10% revenue for year ended March 31, 2025 and year ended March 31, 2024. Further, receivable from two customers account for more than 10% receivable as at March 2025 and no customer accounts for more than 10% receivable as at March 31, 2024.

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 fixed deposit.

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 March 31, 2025, the Company had a working capital of Rs. 345.76 million including cash and cash equivalents of Rs. 250.02 million. As at March 31, 2024, the Company had a working capital of Rs. 151.83 million including cash and cash equivalents of Rs. 160.26 million. Accordingly, no liquidity risk is perceived.

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

(Rs. in million)

Particulars	As at March 31, 2025					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Lease liabilities	2.09	-	-	-	-	**2.09**
Trade payables	19.22	-	-	-	-	**19.22**
Other financial liabilities	179.53	-	-	-	-	**179.53**
Total	**200.84**	-	-	-	-	**200.84**

(Rs. in million)

Particulars	As at March 31, 2024					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Lease liabilities	15.96	-	-	-	-	**15.96**
Trade payables	14.97	-	-	-	-	**14.97**
Other financial liabilities	230.33	-	-	-	-	**230.33**
Total	**261.26**	-	-	-	-	**261.26**

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

30. Capital Management

Risk 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:

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total equity attributable to the equity share holders of the Company	**443.31**	**314.86**
As percentage of total capital	**99.53%**	**95.36%**
Lease liabilities	2.08	15.32
Total lease liabilities	**2.08**	**15.32**
As percentage of total capital	**0.47%**	**4.64%**
Total capital (equity and lease liabilities)	**445.39**	**330.18**

The Company is predominantly equity financed which is evident from the capital structure table above.

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

31. Financial Ratios

	Ratio/Measure	Numerator	Denominator	Year ended March 31, 2025	Year ended March 31, 2024	% Variance	Reason for variance
a.	Current Ratio (times)	Current assets	Current liabilities	2.37	1.48	59.65%	On account of increase in Current assets and decrease in Current liabilities.
b.	Debt-Equity Ratio (%)	Total Debt (Lease liabilities)	Shareholders' equity	0.47%	4.87%	-90.36%	Due to decline in total debt as the balance lease term is reduced.
c.	Debt Service Coverage Ratio (times)	Earnings available for debt service[1]	Debt service[2]	17.32	3.54	389.27%	On account of decrease in employee benefits expense & other expenses resulting in an increase in earnings available for debt service.
d.	Return on Equity Ratio (%)	Profit for the year	Average shareholders' equity	74.70%	8.34%	795.90%	On account of decrease in employee benefits expense & other expenses resulting in an increase in Profit for the year.
e.	Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivable	5.47	5.52	-0.89%	
f.	Trade payables turnover ratio (times)	Total Purchases[3]	Average trade payables	14.71	25.61	-42.56%	On account of decrease in subcontracting expneses as compared to the previous year.
g.	Net capital turnover ratio (times)	Revenue from operations	Average working capital	5.88	7.97	-26.19%	On account of increase in average working capital employed in operations.
h.	Net profit ratio (%)	Profit for the year	Revenue from operations	19.35%	1.86%	941.00%	On account of increase in Profit due to decrease in expenses.
i.	Return on Capital employed (%)	Earning before interest and taxes	Capital employed[4]	84.96%	23.35%	263.94%	On account of increase in Profit due to decrease in expenses.
j.	Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Weighted average investments[5]	5.67%	5.65%	0.46%	

Notes:

1 Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses
2 Debt service = Interest & Lease Payments + Principal Repayments
3 Total purchases = Other expenses - Contribution towards corporate social responsibility - Provision for doubtful debts - Loss on sale/discard of property, plant and equipment + staff welfare expenses
4 Capital Employed = Shareholders' equity + Total Debt
5 Weighted average investment is the weighted average of amount invested in fixed deposits

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

32. Related Party Disclosure

i) Names of related parties:

Ultimate holding company	BCP Asia II Holdco II Pte. Ltd (w.e.f. July 03, 2023)
Intermediate holding company	BCP Asia II TOPCO II Pte. Ltd (w.e.f. July 03, 2023)
Immediate holding company	R Systems International Limited. (w.e.f. July 03, 2023)
Subsidiary	Scaleworx Technologies Private Limited (w.e.f. December 01, 2023)
Fellow Subsidiaries	R Systems (Singapore) Pte Ltd, Singapore (w.e.f. July 03, 2023) R Systems, Inc., USA (w.e.f. July 03, 2023) R Systems Technologies Limited, USA (w.e.f. July 03, 2023) R Systems Consulting Services Limited, Singapore (w.e.f. July 03, 2023) R Systems Computaris International Limited, UK (w.e.f. July 03, 2023) RSYS Technologies Limited, Canada (w.e.f. July 03, 2023) RSIL Mexico, S. de R.L. de C.V., United Mexican States (w.e.f. October 09, 2024) **Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore:** ➢ R Systems IBIZCS Pte. Ltd., Singapore with the following step down subsidiaries: ➢ IBIZ Consulting Services Pte Ltd, Singapore (strike off w.e.f. January 08, 2024) ➢ R Systems IBIZCS Sdn. Bhd., Malaysia ➢ PT RSYSTEMS IBIZCS International, Indonesia ➢ IBIZ Consulting (Thailand) Co. Ltd, Thailand ➢ IBIZ Consulting Services Limited, Hong Kong (IBIZ HK) o IBIZ Consulting Services (Shanghai) Co., Ltd, People's Republic of China (wholly owned subsidiary of IBIZ HK) **Following are the subsidiaries of R Systems Consulting Services Ltd, Singapore:** ➢ R Systems Consulting Services (M) Sdn. Bhd., Malaysia ➢ R Systems Consulting Services (Thailand) Co., Ltd., Thailand ➢ R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China ➢ R Systems Consulting Services (Hong Kong) Limited, Hong Kong ➢ R Systems Consulting Services Kabushiki Kaisha, Japan ➢ R Systems Consulting Services Company Limited, Vietnam **Following are the subsidiaries of R Systems Computaris International Limited, UK:** ➢ 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., Phillippines ➢ R Systems Computaris Suisse Sàrl, Switzerland

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

(iii) Outstanding balances of related parties as at March 31, 2025 and March 31, 2024:

(Rs. in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables		
Scaleworx Technologies private limited	0.67	-
Other current financial assets		
R Systems International Limited	-	2.70
Other current financial liabilities		
R Systems International Limited	3.29	3.62
Scaleworx Technologies private limited	15.03	6.13
Total	**18.32**	**9.75**
Balance payable to KMP		
Kalpak Shah	-	2.76
Chirag Jog	-	0.46
Total	**-**	**3.22**

33. During the year ended March 31, 2025, the Company has paid the interim dividend of Rs. 1,354/- per equity share of face value of Re. 1/- each aggregating to Rs 150.04 million.

34. Subject to the approvals from Stock exchanges, Shareholders, Creditors, Hon'ble National Company Law Tribunal, New Delhi ("NCLT"), and such other regulatory/governmental authorities or persons, as may be required under applicable law, the Board of Directors of Velotio Technologies Private Limited ("Velotio" or "Amalgamating Company 1"), has approved the Composite Scheme of Amalgamation of Velotio and Scaleworx Technologies Private Limited ("Scaleworx" or "Amalgamating Company 2") with R Systems International Limited ("R Systems" or "Amalgamated Company"), on September 11, 2024 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act").

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VELOTIO TECHNOLOGIES PRIVATE LIMITED

Key Management Personnel	a) Kalpak Shah, Chief Executive Officer and Director b) Chirag Jog, Chief Technology Officer and Director c) Nitesh Bansal, Director (w.e.f. July 03, 2023) d) Aviraj Jain, Director (w.e.f. July 03, 2023) e) Nand Sardana, Director (w.e.f. July 03, 2023) f) Kapil Dhameja, Independent Director (w.e.f. September 29, 2023) g) Ruchica Gupta, Independent Director (w.e.f. September 29, 2023)
Close family member of Key Management Personnel	a) Komal Shah (Related to Kalpak Shah)

ii) Details of transactions with related parties for the year ended March 31, 2025 and year ended March 31, 2024:

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from information technology and other services rendered to		
R Systems International Limited	141.56	17.24
Scaleworx Technologies private limited	1.55	-
Total	**143.11**	**17.24**
Rental income from		
R Systems International Limited	0.18	2.45
Scaleworx Technologies private limited	0.12	-
Total	**0.30**	**2.45**
Travel and other expenses reimbursed by the Company to		
R Systems International Limited	4.59	3.33
Travel and other expenses reimbursed to the Company by		
R Systems International Limited	0.09	0.84
Professional fees for technical services		
R Systems International Limited	24.08	3.24
Scaleworx Technologies private limited	73.75	74.25
Total	**97.83**	**77.49**
Dividend paid (Refer to Note 33)		
R Systems International Limited	150.04	-
Remuneration		
Short term employee benefits	17.85	17.56
Post-employment benefits	0.29	1.42
Other long-term employee benefits	0.11	0.21
Sitting fee to independent directors	0.20	0.15
Total	**18.45**	**19.34**

Deloitte Haskins & Sells LLP Chartered Accountants

VELOTIO TECHNOLOGIES PRIVATE LIMITED

35. Approval of Financial Statements.

The financial statements have been approved by the Board of Directors at its meeting held on May 08, 2025.

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited

Kalpak Shah
Director & Chief Executive Officer
DIN: 02940976

Place : Pune
Date : May 08, 2025

Nand Sardana
Director
DIN: 09592752

Place : NOIDA
Date : May 08, 2025

Deloitte Haskins & Sells LLP
Chartered Accountants

VELOTIO TECHNOLOGIES PRIVATE LIMITED

INDEPENDENT AUDITORS' REPORT

To
The Members of Scaleworx Technologies Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Scaleworx Technologies Private Limited which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

BAHETI & SOMANI LLP ★ Chartered Accountants Firm Reg. No. 124298W

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.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

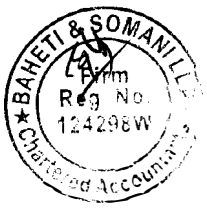
The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order".

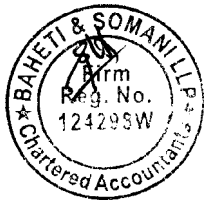
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;



(e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the reporting is not applicable to the company.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. The Company was not required to transfer any amount to the Investor Education and Protection Fund

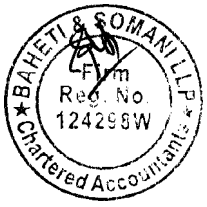
iv.

(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

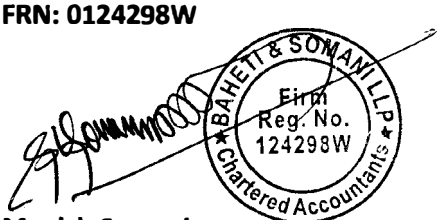
(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.



vi. Based on our examination, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Baheti & Somani LLP
Chartered Accountants
FRN: 0124298W



Manish Somani
Partner
M. No: 111759
Place: Pune
Date: May 08, 2025
UDIN: 25111759BMIAYP5856

ANNEXURE `A` TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date as required by the Companies (Auditor's Report) Order, 2020 and amendments thereto and according to the information and explanations given to us during the course of audit and on the basis of such audit we report that:

(i) In respect of its Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars including quantitative details and location of property, plant and equipment

(b) The property, plant and equipment are verified by the management according to the phased program, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The frequency of verification is reasonable, and no material discrepancies have been noticed.

(c) The Company does not have any immovable properties of freehold or leasehold land and building as of the year end and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and hence, reporting under paragraph 3 (i) (d) of the Order is not applicable.

(e) The company has no pending proceedings for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence, reporting under paragraph 3 (i) (e) of the Order is not applicable.

(ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

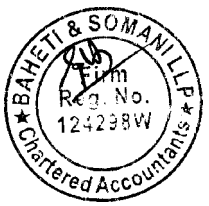
(iv) In our opinion and according to the information and explanations given to us, there were no instances of transactions under the provisions of section 186 of The Act, with respect to the loans and investments made. Further there were no instances of transactions covered under the provisions of section 185 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly paragraph 3(v) of the order is not applicable.

(vi) The Central Government has not prescribed for maintenance of cost records under sub section (1) of section 148 of Companies Act, 2013.

(vii) In respect of Statutory dues:

(a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee' State Insurance,



Income Tax, Goods and Services Tax and any other statutory dues with the appropriate authorities during the year. The Company was not required to deposit any amounts with the Investor Education and Protection Fund.

(b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Income Tax, Goods and Services Tax which were in arrears as on 31st March, 2025 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues outstanding as on 31st March, 2025 in respect of Goods and Services Tax and Income tax, which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, there were no instances of transactions that were recorded by the company in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix) (c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix) (d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (f) of the Order is not applicable.

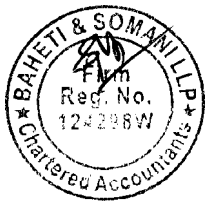
(x)

(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made private placement of equity shares during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi)

(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. *Accordingly, clause 3(xii) of the Order is not applicable.*

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv)
(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company does not have an internal audit system commensurate with the size and nature of its business
(b) Internal audit reports of the Company were not prepared as there was not system of internal audit and hence were not considered by the statutory auditor.

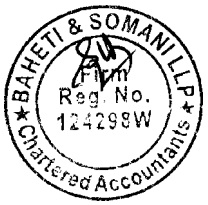
(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)
(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the Order is not applicable
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable
(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

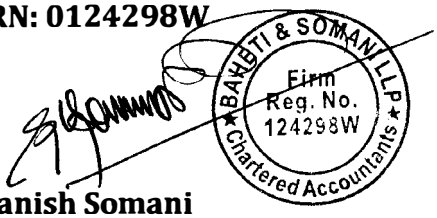
(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) There are no adverse remarks or qualifications reported in the auditor's report and hence clause 3(xxi) of Companies (Auditor's Report) Order, 2020 is not applicable.

For Baheti & Somani LLP
Chartered Accountants
FRN: 0124298W



Manish Somani
Partner
M No: 111759
Place: Pune
Date: May 08, 2025
UDIN: 25111759BMIAYP5856

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Scaleworx Technologies Private Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of Scaleworx Technologies Private Limited (the "Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

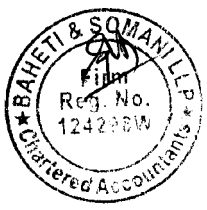
Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 (the "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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the



extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

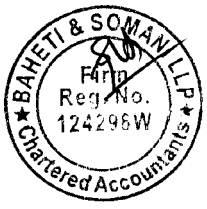
A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

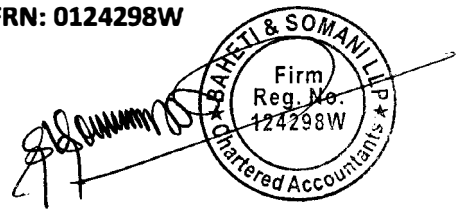
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with



reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Baheti & Somani LLP
Chartered Accountants
FRN: 0124298W



Manish Somani
Partner
M. No: 111759
Place: Pune
Date: May 08, 2025
UDIN: 25111759BMIAYP5856

Scaleworx Technologies Private Limited

Company Identification Number (CIN) : U72900DL2020PTC434013

Reg. Office : GF-1-A, 6, Devika Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, India, 110019

Balance Sheet as at March 31, 2025

(Rs. in Thousand)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	619.91	948.66
Deferred tax assets	24	5,535.34	4,030.41
Non-current tax asset (net)		1,078.25	306.00
Total non-current assets		7,233.50	5,285.07
Current assets			
Financial assets			
Trade receivables	4	14,766.14	7,885.10
Cash and cash equivalents	5	10,622.26	42,674.31
Bank balances other than cash and cash equivalents	6	47,470.58	3,279.02
Other financial assets	7	1,989.38	212.24
Other current assets	8	8,810.57	7,534.39
Total current assets		83,658.93	61,585.06
Total assets		90,892.43	66,870.13
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	146.66	146.66
Other equity	10	66,028.72	49,866.71
Total equity		66,175.38	50,013.37
Liabilities			
Non-current liabilities			
Provisions	11	4,400.40	2,480.53
Total non-current liabilities		4,400.40	2,480.53
Current liabilities			
Financial liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	12	-	57.10
- total outstanding dues of creditors other than micro enterprises and small enterprises	12	3,452.34	1,804.10
Other current financial liabilities	13	11,405.86	9,200.00
Other current liabilities	14	3,247.06	2,683.97
Provisions	11	2,211.39	631.06
Total current liabilities		20,316.65	14,376.23
Total equity and liabilities		90,892.43	66,870.13

See accompanying notes to the financial statements 1 to 26

As per our attached report of even date
For Baheti and Somani LLP
Chartered Accountant
FRN No.: 124298W

BAHETI & SOMANI LLP * Chartered Accountants * Firm Reg. No. 124298W

Manish Somani
Partner
M.No.: 111759
Place: Pune
Date: May 08, 2025
UDIN : 25111759BMIAYP5856

For and on behalf of the Board
Scaleworx Technologies Private Limited

SCALEWORX TECHNOLOGIES PVT. LTD.

Avirag Jain
Director
DIN : 00004801
Place: Noida
Date: May 08, 2025

Nand Sardana
Director
DIN : 09592752
Place: Noida
Date: May 08, 2025

Scaleworx Technologies Private Limited
Company Identification Number (CIN) : U72900DL2020PTC434013
Reg. Office : GF-1-A, 6, Devika Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, India, 110019

Statement of Profit and Loss for the year ended March 31, 2025

(Rs. in Thousand, except per share data)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	15	117,431.37	112,671.04
Other income	16	2,389.68	421.18
Total income		119,821.05	113,092.22
Expenses			
Employee benefits expense	17	76,427.42	84,165.68
Depreciation and amortisation expense	3	637.59	2,477.55
Other expenses	18	20,439.49	23,740.02
Total expenses		97,504.50	110,383.25
Profit before tax		22,316.55	2,708.97
Tax expense:	24		
- Current tax		6,738.43	5,080.47
- Prior period tax		160.59	22.03
- Deferred tax		(1,313.54)	(3,895.67)
Total tax expense		5,585.48	1,206.83
Profit for the year		16,731.07	1,502.14
Other comprehensive income:			
Items that will not be reclassified to profit and loss:			
i) Remeasurement of defined benefit plans		760.45	412.09
ii) Deferred tax relating to items that will not be reclassified to profit and loss		(191.39)	(103.71)
Total other comprehensive loss		569.06	308.38
Total comprehensive income for the year		16,162.01	1,193.76
Earnings per Share	19		
(Equity share of par value of Rs 10/- each)			
- Basic and diluted (in ₹)		1,140.81	102.42

See accompanying notes to the financial statements 1 to 26

As per our attached report of even date
For Baheti and Somani LLP
Chartered Accountant
FRN No.: 124298W

BAHETI & SOMANI LLP * Firm Reg. No. 124298W * Chartered Accountants

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Cash Flow Statement for the year ended March 31, 2025

(Rs. in Thousand)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. Cash flows from operating activities		
Profit for the year	16,731.07	1,502.14
Adjustments for:		
Tax expense	5,585.48	1,206.83
Depreciation and amortisation expense	637.59	2,477.55
Unrealised foreign exchange loss / (gain)	-	(51.30)
Interest income	(2,375.37)	(401.33)
Creditors written back	-	(19.85)
Provision for doubtful debts	97.53	4,011.73
(Profit)/Loss on sale of assets	-	113.57
Operating profit before working capital changes	20,676.30	8,839.35
Movements in working capital:		
(Increase) / Decrease in trade receivables	(6,978.57)	17,240.33
(Increase) / Decrease in other assets	(1,276.18)	(6,421.53)
Increase / (Decrease) in Trade payables and other liabilities	5,519.52	(257.41)
Increase / (Decrease) in Provisions	1,580.33	1,521.29
Cash generated from operations	19,521.40	20,922.03
Direct taxes paid, net of refunds	(7,671.28)	(6,589.46)
Net cash from operating activities (A)	11,850.12	14,332.57
B. Cash flows from investing activities		
Purchase of Property, plant and equipment	(308.84)	(830.59)
Proceeds from sale of Property, plant and equipment	-	11,068.72
(Investment in)/Redemption of fixed deposits with scheduled banks (net)	(44,191.56)	10,121.26
Interest received	598.23	204.33
Net cash from investing activities (B)	(43,902.17)	20,563.72
C. Cash flows from financing activities		
Net cash from financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(32,052.05)	34,896.29
Add: Cash and cash equivalents at the beginning of the year	42,674.31	7,778.02
Cash and cash equivalents at the end of the year (refer to Note 5)	10,622.26	42,674.31

See accompanying notes to the financial statements 1 to 26

As per our attached report of even date
For Baheti and Somani LLP
Chartered Accountant
FRN No.: 124298W

BAHETI & SOMANI LLP Firm Reg. No. 124298W Chartered Accountants

Manish Somani
Partner
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Scaleworx Technologies Private Limited

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Scaleworx Technologies Private Limited
Company Identification Number (CIN) : U72900DL2020PTC434013
Reg. Office : GF-1-A, 6, Devika Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, India, 110019

Statement of Changes in equity for the year ended March 31, 2025

A. Share Capital

(Rs. in Thousand)

Particulars	Balance as at April 01, 2023	Change during the year	Balance as at March 31, 2024	Change during the year	Balance as at March 31, 2025
Equity share capital	146.66	-	146.66	-	146.66

B. Other equity

(Rs. in Thousand)

Particulars	Securities premium	Retained earnings	Total
Balance as at April 01, 2024	9,953.33	39,913.38	49,866.71
Profit for the year	-	16,731.07	16,731.07
Remeasurement of defined benefit plans transferred to retained earnings (net of tax)	-	(569.06)	(569.06)
Balance as at March 31, 2025	9,953.33	56,075.39	66,028.72
Balance as on April 01, 2023	9,953.33	38,719.62	48,672.95
Profit for the year	-	1,502.14	1,502.14
Remeasurement of defined benefit plans transferred to retained earnings (net of tax)	-	(308.38)	(308.38)
Balance as at March 31, 2024	9,953.33	39,913.38	49,866.71

See accompanying notes to the financial statements 1 to 26

As per our attached report of even date
For Baheti and Somani LLP
Chartered Accountant
FRN No.: 124298W

Manish Somani
Partner
M.No.: 111759
Place: Pune
Date: May 08, 2025

For and on behalf of the Board
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DIN : 00004801
Place: Noida
Date: May 08, 2025

Nand Sardana
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Place: Noida
Date: May 08, 2025

Scaleworx Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

1 Nature of Operations

Scaleworx Technologies Private Limited was incorporated on 7th November, 2020. It is a private unlisted company and is classified as 'company limited by shares'.

The company is working in the field of Information technology & Software development, and to undertake all such activities connected, linked or associated with software developement, Software Product Incubation, Software Prototyping, Software Solutions, Software Consultancy, Website Development, IT Management, Networking, IT Services, e-Commerce Activities, BPO, Trainings, technical processes and other related services.

2 Material Accounting Policies

a Statement of compliance

These 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.

These financial statements comply in all material aspects with Indian accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian accounting standards) Rules , 2015] and other relevant provisions of the Act.

b Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been presented in thousands, unless otherwise indicated.

c Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis, net defined benefit obligations and other long-term employee benefits which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of services rendered to customers and the time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration of the services rendered, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

d Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

When part of an item of property plant and equipment has different useful lives, they are accounted for as separate items (major component) of property plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal or retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed. Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-inprogress (CWIP) respectively.

e Depreciation

Depreciation is calculated on cost of items of property, plant and equipment and Investment Property, less their estimated residual values using the

Assets	Method	Life (in years)
Computers	SLM	3
Office Equipment	SLM	5
Motor Vehicle	SLM	8

f 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.

g 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. 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.

h Revenue

The Company derives revenue primarily from software development and related services. The Company recognises revenue when the performance obligations as promised have been satisfies with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration.
The Company has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.
Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company collects Goods and Service Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.
Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.
Revenue from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

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.

i Other income

Other income is comprised primarily of interest income, net gain on foreign exchange fluctuations and miscellaneous income. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate.

j 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.

k Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all related employee benefits. The related risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.
The present value of the defined benefit obligations is calculated using the projected unit credit method.

(i) The Company's contribution to social security plans such as provident fund, employee state insurance scheme, etc. are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to statement of profit and loss subsequently.
The provision for gratuity recognised in the balance sheet represents the present value of the defined benefit obligations.

(iii) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment.
The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. The actuarial gains and losses are recognised in the statement of profit and loss. Non-accumulating compensated absences are recognised in the period in which the absences occur.

The Company presents the entire Compensated absences liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

l 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. 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.

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.

SCALEWORX TECHNOLOGIES PVT. LTD.

m 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.

n 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.

o 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.

p 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.

q 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.

r Critical accounting estimates

(i) Revenue recognition

The Company uses the percentage-of completion method in accounting for its fixed-price contracts. Use of the percentage-of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

(ii) Income taxes

The Company's only tax jurisdiction is India. 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) Employee benefit plans

The present value of provision for gratuity and compensated absence is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, provision for gratuity and compensated absence is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

SCALEWORX TECHNOLOGIES PVT. LTD.

Scaleworx Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

3 Property, Plant and Equipment

(Rs. in Thousand)

Particulars	Office Equipment	Computers	Vehicles	Total
Gross Carrying Value				
Balance as at April 01, 2023	99.03	2,227.06	12,838.99	15,165.08
Additions	131.36	449.23	250.00	830.59
Disposals	27.00	216.24	13,088.99	13,332.23
Balance as at March 31, 2024	203.39	2,460.05	-	2,663.44
Additions	148.94	159.90	-	308.84
Disposals	-	-	-	-
Balance as at March 31, 2025	352.33	2,619.95	-	2,972.28
Accumulated depreciation				
Balance as at April 01, 2023	42.70	847.69	496.78	1,387.17
Depreciation charge	10.20	985.06	1,482.29	2,477.55
Adjustment/Disposals	8.15	162.72	1,979.07	2,149.94
Balance as at March 31, 2024	44.75	1,670.03	-	1,714.78
Depreciation charge	50.55	587.04	-	637.59
Adjustment/Disposals	-	-	-	-
Balance as at March 31, 2025	95.30	2,257.07	-	2,352.37
Net Block				
Balance as at March 31, 2024	158.64	790.02	-	948.66
Balance as at March 31, 2025	257.03	362.88	-	619.91



Scaleworx Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

4 Trade receivables (current)

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Unsecured, considered good	14,766.14	7,885.10
Unsecured, credit impaired	3,795.09	4,011.73
Less: Allowance for doubtful debt	(3,795.09)	(4,011.73)
Total	**14,766.14**	**7,885.10**

For related party balances, refer to note no. 20

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2025							
Undisputed - considered good	8,361.92	5,436.21	467.98	500.03	-	-	14,766.14
Undisputed - credit impaired	-	-	-	3,795.09	-	-	3,795.09
As at March 31, 2024							
Undisputed - considered good	-	7,885.10	-	-	-	-	7,885.10
Undisputed - credit impaired	-	1,150.56	2,861.17	-	-	-	4,011.73

Movement in expected credit loss allowance	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning of the year	4,011.73	-
Provision for doubtful debts (net)	97.53	4,011.73
Bad debts written off	(281.57)	-
Effect of foreign exchange fluctuation	(32.60)	-
Balance at the end of the year	**3,795.09**	**4,011.73**

Scaleworx Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

5 Cash and cash equivalents

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Cash on hand	-	-
Balances with scheduled banks: in current account	10,622.26	42,674.31
Total	10,622.26	42,674.31

6 Bank balances other than cash and cash equivalents

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Deposits with original maturity of more than three months but less than twelve months	47,470.58	3,279.02
Total	47,470.58	3,279.02

7 Other current financial assets

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Interest accrued on bank deposits	1,989.38	212.24
Total	1,989.38	212.24

8 Other Current assets

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Deposits	10.00	10.00
Prepaid expenses	6.22	776.91
Staff advance	150.00	-
Advance to vendors	-	319.34
Unbilled revenue	8,644.36	6,428.15
Total	8,810.57	7,534.39



9 Share Capital (Refer Note 25)

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Authorised share capital (50,000 Equity Shares of Face value Rs. 10 each)	500.00	500.00
Total	500.00	500.00
Issued, subscribed and paid-up share capital (14,666 Equity Shares of Face value Rs. 10 each)	146.66	146.66
Total	**146.66**	**146.66**

a. Reconciliation of the shares outstanding
Equity Shares

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	No. of shares	(₹ in Thousand)	No. of shares	(₹ in Thousand)
At the beginning of the year	14,666	146.66	14,666	146.66
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	**14,666**	**146.66**	**14,666**	**146.66**

b. Description of the rights, preferences and restrictions attached to equity shares
(i) Equity shares
The Company has only one class of equity shares having the par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally entitled to dividends. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by the Holding Company / ultimate holding company and shareholders holding more than 5% shares in the Company:

Equity shares

Name of the entity	As at March 31,2025		As at March 31, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
Velotio Technologies Private Limited	14,666	100.00%	14,666	100.00%

Note- All the shares are held by the holding company "Velotio Technologies Pvt Ltd" post acquisition on December 01, 2023. Also refer to Note 20 with respect to ultimate holding company.

d. Shareholding of promoters

Name of promoter	As at March 31,2025		As at March 31, 2024		Percentage change during the year ended March 31, 2025
	No. of shares held	% of Holding	No. of shares held	% of Holding	
Promoters: Velotio Technologies Private Limited	14666	100.00%	14666	100.00%	0.00%

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.

e. There are no 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.



Scaleworx Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

10 Other equity

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
a) Reserves and surplus		
i) Securities premium The amount received in excess of face value of the equity shares is recognised in securities premium. This is utilised in accordance with the provisions of the Companies Act 2013.	9,953.33	9,953.33
ii) Retained earnings Retained earnings represents the cumulative profit/(loss) of the Company and effects of remeasurements of defined benefits obligations routed through other comprehensive income.	56,075.39	39,913.38
Total	66,028.72	49,866.71

11 Provisions

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Non-current		
Provision for gratuity (refer note 17.1)	4,400.40	2,480.53
	4,400.40	2,480.53
Current		
Provision for gratuity (refer note 17.1)	5.46	3.64
Provision for compensated absence	2,205.93	627.42
	2,211.39	631.06
Total	6,611.79	3,111.59



12 Trade payables (current)

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	57.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,452.34	1,804.10
Total	3,452.34	1,861.20

(Rs. in Thousand)

Particulars	As at March 31, 2025				
	Outstanding for following periods				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	622.57				622.57
iii. Accrued expenses	-				2,829.77
					3,452.34

Particulars	As at March 31, 2024				
	Outstanding for following periods				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. MSME	57.10	-	-	-	57.10
ii. Others	1,804.10	-	-	-	1,804.10
iii. Accrued expenses	-	-	-	-	-
					1,861.20

Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, following are the dues to such suppliers.

(Rs. in Thousand)

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	57.10
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

13 Other current financial liabilities

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Payable to Related Parties (Refer to note 20)	672.53	-
Employee Benefit Payable	10,733.33	9,200.00
Total	11,405.86	9,200.00

14 Other current liabilities

(Rs. in Thousand)

Particulars	As at March 31,2025	As at March 31, 2024
Statutory dues payable:		
Tax Deducted at Source	1,927.75	1,636.23
Provident Fund Payable	97.50	56.15
Goods and Service Tax	1,184.11	988.83
Others	37.70	2.76
Total	3,247.06	2,683.97

15 Revenue from operations

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Sale of services - consultancy fees	117,431.37	112,671.04
Total	117,431.37	112,671.04

Disaggregation of revenue

The table below presents disaggregated revenues from the Company's contracts with customers by geography.

Revenue by geography:		
India	75,618.40	67,817.95
North America	41,812.97	44,853.09
	117,431.37	112,671.04

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 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. Invoicing in excess of earnings is classified as unearned revenue.

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.

16 Other income

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Interest income on:		
Bank deposits	2,375.37	401.33
Foreign exchnage fluctuation (net)	14.31	-
Miscellaneous income	-	19.85
Total	2,389.68	421.18



17 Employee benefits expense

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Salaries, wages and bonus	72,914.90	62,456.45
Director Remuneration (refer to Note 20)	-	18,244.89
Gratuity (refer to Note 17.1 below)	1,161.25	893.87
Leave Encashment	1,578.51	627.42
Contribution to Provident Fund and other fund	329.70	384.44
Staff welfare expenses	443.06	1,558.61
Total	76,427.42	84,165.68

17.1 Defined benefit plan (Gratuity)

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the respective plans.

The amount recognised in the statement of profit and loss is as follows:

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Service cost	983.01	806.16
Net interest cost	178.23	87.71
Net gratuity expense recognised in the statement of profit and loss	**1,161.25**	**893.87**
Re-measurement loss / (gain) recognised in other comprehensive income	**760.45**	**412.086**
Total cost recognised in total comprehensive income	**1,921.70**	**1,305.96**

The amount recognised in other comprehensive income is as follows:

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Actuarial changes arising from changes in financial assumptions	650.43	65.17
Actuarial changes arising from changes in experience adjustments	110.02	346.92
Total	760.45	412.09

Changes in the present value of the defined benefit obligations :

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Opening defined benefit obligation	2,484.17	1,178.21
Service cost	983.01	806.16
Interest cost	178.23	87.71
Remeasurements on obligation - loss / (gain)	760.45	412.09
Closing defined benefit obligation	4,405.87	2,484.17

The principal assumptions used in determining gratuity

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Discount rate	6.70%	7.45%
Salary escalation rate - management staff	10.00%	8.00%
Withdrawal Rate	10.00%	10.00%

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonable possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Sensitivity analysis for each significant actuarial assumption is given below:

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Discount rate		
a. Rate + 100 basis points	4,024.67	2,255.32
b. Rate - 100 basis points	4,847.54	2,750.31
Rate of salary increase		
a. Rate + 100 basis points	4,640.07	2,695.47
b. Rate - 100 basis points	4,166.51	2,281.49

Scaleworx Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

18 Other expenses

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Rates and taxes	-	146.00
Rent	125.00	-
Repairs and maintenance	136.72	229.84
Repairs & Maintainence - Softwares	1,291.61	546.27
Travelling and conveyance	2,320.98	4,701.11
Legal and professional charges (including Technical fees)	16,003.82	13,331.62
Payment to auditor	364.50	375.00
Foreign Exchange fluctuation (net)	-	210.14
Communication Cost	-	13.50
Loss on disposal of property, plant and equipment (net)	-	113.57
Advertising and sales promotion	29.53	16.00
Provision for Doubtful debts	97.53	4,011.73
Miscellaneous expenses	69.80	45.24
Total	20,439.49	23,740.02

18.1 Payment to Auditors

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Statutory Audit	364.50	375.00
Total	364.50	375.00

19 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	For the year ended March 31, 2025	For the Year ended March 31, 2024
Net profit/Loss after tax (Rs. in thousands)	16,731.07	1,502.14
Weighted average number of equity shares for calculating Basic and Diluted EPS	14666	14666
Earnings per share (Equity share of par value of Rs. 10/- each)		
Basic and Diluted (Rs.)	1,140.81	102.42



20 Related party disclosures

20.1 List of related parties where control exists and related parties with whom transactions have taken place and relationships:

(a) Ultimate Holding company
BCP Asia II Holdco II Pte. Ltd.

(b) Holding company
Velotio Technologies Private Limited

(c) Intermediate Holding Company
R Systems International Limited.

(d) Key managerial personnel
Chirag Jog, Director
Rohan Gupta, Chief Executive officer & Director (resigned w.e.f. December 01,2023)
Avirag Jain, Director (appointed w.e.f. December 01, 2023)
Nand Sardana, Director (appointed w.e.f. December 01, 2023)

20.2 Related party transactions:
Details of transactions with related parties for the year ended March 31, 2025 and year ended March 31, 2024:

(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the Year ended March 31, 2024
Sale of services - consultancy fees		
Velotio Technologies Pvt Ltd	73,754.76	76,598.76
R Systems International Limited	1,863.54	-
	75,618.30	76,598.76
Technical fees		
Velotio Technologies Pvt Ltd	1,546.89	-
R Systems International Limited.	1,411.20	-
	2,958.09	-
Remuneration to directors		
Rohan Gupta	-	18,244.89
	-	18,244.89
Rent paid		
Velotio Technologies Pvt Ltd	120.00	-
	120.00	-
Sale of Fixed Asset		
Rohan Gupta	-	11,159.75
	-	11,159.75

Balance outstanding
Outstanding balances of related parties as at 31 March 2025 and 31 March 2024:

(Rs. in Thousand)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivable		
Velotio Technologies Pvt Ltd	7,310.58	-
	7,310.58	-
Unbilled Asset		
Velotio Technologies Pvt Ltd	7,721.23	-
	7,721.23	-
Other current financial liabilities		
Velotio Technologies Pvt Ltd	672.53	-
	672.53	-

21 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 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 (in U.S. Dollars). Since the export revenues are generally realised in cash over a short span of time therfore there is no significant gain/loss on account of change in the exchange rates. Significant portion of the Company's revenues and costs are in Indian rupees.

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of March 31, 2025 and March 31, 2024:

(Rs. in Thousand)

Trade receivables	Currency - USD	Total
As at March 31, 2025	11,250.65	11,250.65
As at March 31, 2024	11,834.30	11,834.30

Foreign currency sensitivity analysis

For the year ended March 31, 2025, 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 0.5%
For the year ended March 31, 2024, 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 4.37%.

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 bank deposits. 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:

(Rs. In Thousand)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from top customer	73,754.76	74,246.08
Revenue from top 5 customers	117,431.37	110,018.60

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with scheduled banks.

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 March 31, 2025, the Company had a working capital of Rs. 63,342.28 thousand including cash and cash equivalents and current fixed deposits of Rs. 58092.84 thousand. As at March 31, 2024, the Company had a working capital of Rs. 47,208.82 thousand including cash and cash equivalents and current fixed deposits of Rs. 45,953.32 thousand. Accordingly, no liquidity risk is perceived.

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

(Rs. in Thousand)

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year		
Trade payables	3,452.34	1,861.20
Other financial liabilities	11,405.86	9,200.00
More than 1 year		
Trade payables	-	-
Other financial liabilities	-	-

22 Financial instruments

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

(Rs. in Thousand)

Particulars	Note reference	Basis of measurement	As at March 31, 2025		As at March 31, 2024		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	
Assets							
Trade receivables	4	Amortised cost	14,766.14	14,766.14	7,885.10	7,885.10	
Cash and cash equivalents	5	Amortised cost	10,622.26	10,622.26	42,674.31	42,674.31	
Other bank balances	6	Amortised cost	47,470.58	47,470.58	3,279.02	3,279.02	
Other financial assets	7	Amortised cost	1,989.38	1,989.38	212.24	212.24	
Total			**74,848.36**	**74,848.36**	**54,050.67**	**54,050.66**	
Liabilities							
Trade payables	12	Amortised cost	3,452.34	3,452.34	1,861.20	1,861.20	
Other financial liabilities	13	Amortised cost	11,405.86	11,405.86	9,200.00	9,200.00	
Total			**14,858.20**	**14,858.20**	**11,061.20**	**11,061.20**	

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.

23 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor as well as creditor confidence and to sustain future development of the business. The Company is debt-free and the entire share capital is held by the holding company. The Company's objective, when managing capital, is to maintain an optimal structure so as to maximise shareholder value.



(Rs. in Thousand)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
24 Income tax		
Current income tax		
In respect of the current year	6,738.43	5,080.47
In respect of the prior periods	160.59	22.03
Deferred tax	(1,313.54)	(3,895.67)
Income tax expense recognised in the statement of profit and loss	5,585.48	1,206.83
Income tax recognised in other comprehensive income		
Deferred tax relating to re-measurement of defined benefit plan	(191.39)	(103.71)
	5,394.09	1,103.12

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:

Profit before tax	22,316.55	2,708.97
Enacted income tax rate in India	25.168%	25.168%
Computed expected tax expense	5,616.63	681.79
Tax effect of:		
Expenses that are not deductible in determining taxable profit	1,121.80	417.29
Tax pertaining to prior years	160.59	22.03
Others	(1,313.54)	85.72
Income tax expense recognised in the statement of profit and loss	5,585.48	1,206.83

Deferred tax

Deferred tax assets / (liabilities) as at March 31, 2025 in relation to:

Particulars	As at April 01, 2024	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at March 31, 2025
Difference between accounting base and tax base for depreciable assets	196.92	17.86	-	214.78
Provision for gratuity	625.21	292.26	191.39	1,108.86
Other employee benefits	2,198.61	1,057.94	-	3,256.55
Provision for doubtful debts	1,009.67	(54.52)	-	955.15
Total	4,030.41	1,313.54	191.39	5,535.34

Deferred tax assets / (liabilities) as at March 31, 2024 in relation to:

Particulars	As at April 01, 2023	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at March 31, 2024
Difference between accounting base and tax base for depreciable assets	(265.49)	462.41	-	196.92
Provision for gratuity	296.53	224.97	103.71	625.21
Other employee benefits	-	2,198.61	-	2,198.61
Provision for doubtful debts	-	1,009.67	-	1,009.67
Total	31.04	3,895.67	103.71	4,030.41



Scaleworx Technologies Private Limited

Notes to the Financial Statements for the year ended March 31, 2025

25 Analytical Ratios:

	Ratio / Measure	Numerator	Denominator	Year ended March 31, 2025	Year ended March 31, 2024	%Variance	Reason for variance
a	Current ratio (times)	Current assets	Current liabilities	4.12	4.28	-3.88%	
b	Debt-equity ratio (%)	Total Debt	Shareholders' Equity	NA	NA	NA	
c	Debt service coverage ratio (times)	Earnings available for debt service[1]	Debt Service[2]	NA	NA	NA	
d	Return on equity ratio (%)	Net profit after tax	Average Shareholders' Equity	28.80%	3.04%	847.44%	On account of increase in Net Profit
e	Trade receivables turnover ratio (times)	Revenue from operations	Average trade receivables	10.37	6.10	70.11%	On account of increase in Revenue from operations
f	Trade payables turnover ratio (times)	Total purchases[3]	Average Trade Payables	7.82	9.48	-17.49%	
g	Net capital turnover ratio (times)	Revenue from operations	Average Working Capital	2.12	2.70	-21.38%	
h	Net profit ratio (%)	Net profit after tax	Revenue from operations	14.25%	1.33%	968.66%	On account of Decrease in expenses resulted in increased profit.
i	Return on capital employed (%)	Earning before interest and taxes	Capital Employed[4]	33.72%	5.42%	522.60%	On account of Decrease in expenses resulted in increased profit.
j	Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Average investments[5]	9.36%	4.81%	94.52%	Due to Higher invested corpus.

Notes-

1 Earnings available for debt service= Net proit after tax + Non- cash operating expenses

2 Debt service= Interest & lease payments + Principal repayments

3 Total purchases= Other expenses - Provision for doubtful debts - Loss on sale/discard of property, plant and equipment + staff welfare expenses

4 Capital employed= Shareholders' equity + Total debt

5 Average investment is the average amount invested in fixed deposits.



26 Approval of Financial Statements

The Finanical statements have been approved by the Board of Directors at its meeting held on May 08, 2025

For and on behalf of the Board
Scaleworx Technologies Private Limited

Avirag Jain	**Nand Sardana**
Director	Director
DIN : 00004801	DIN : 09592752
Place: NOIDA	Place: NOIDA
Date: May 08, 2025	Date: May 08, 2025

Deloitte Haskins & Sells LLP

Chartered Accountants
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To

The Board of Directors
R Systems International Limited
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019, India

Independent Auditor's Certificate certifying the accounting treatment contained in the Proposed Composite Scheme of Amalgamation

1. This certificate is issued in accordance with the terms of our engagement letter dated September 4, 2024.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm's Registration No. 117366W/W-100018), the Statutory Auditors of R Systems International Limited (hereinafter referred to as "the Company"/ "the Amalgamated Company"), have examined the proposed accounting treatment specified in "Clause 8 and Clause 13 (the "Accounting Treatment") of the Proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("Amalgamating Company 1"), Scaleworx Technologies Private Limited ("Amalgamating Company 2") with R Systems International Limited ("Amalgamated Company"), under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Proposed Composite Scheme of Amalgamation") with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 the Companies Act, 2013, read with the rules framed thereunder and other generally accepted accounting principles in India.

Management's responsibility

3. The responsibility for the preparation of the Proposed Composite Scheme of Amalgamation including the proposed accounting treatment therein as specified in Clause 8 and Clause 13 of the Scheme and its compliance with the relevant laws and regulations, including the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made thereunder, and other generally accepted accounting principles in India, as applicable, is that of the Board of Directors of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Composite Scheme of Amalgamation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the proposed accounting treatment contained in Clause 8 and Clause 13 of the Proposed Composite Scheme of Amalgamation referred to above comply with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules framed thereunder, and other generally accepted accounting principles in India, as applicable. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.

5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

6. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the proposed accounting treatment in the books of Amalgamated Company specified in "Clause 8 and Clause 13 of the Proposed Composite Scheme of Amalgamation", is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under, in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed there under and is in compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules framed thereunder, and Other Generally Accepted Accounting Principles, as applicable.

8. For case of references, Clause 8 and Clause 13 of the Proposed Composite Scheme of Amalgamation, duly authenticated on behalf of the Company, are reproduced in Annexure 1 to this Certificate which is stamped and initialed by us only for the purposes of identification.

Restriction on use

9. This certificate is issued at the request of the Company pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and proviso of sub section 3(j) of section 232 of the Companies Act, 2013 for onward submission by the Company to the BSE Limited, National Stock Exchange of India Limited (NSE), National Company Law Tribunal and Regional Director of Ministry of Corporate Affairs (MCA) with respect to the Proposed Composite Scheme of Amalgamation. This certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Digitally signed by Jitendra Agarwal
Date: 2024.09.11 10:28:03 +05'30'

Jitendra Agarwal
Partner
(Membership No.087104)
(UDIN: 24087104BKCUGW3382)

Place: Gurugram
Date: September 11, 2024

R SYSTEMS INTERNATIONAL LIMITED
Corporate Idenity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307
Phones : +91-120-4303500 | Email : rsil@rsystems.com | Regd. Off.: GF-1-A, 6, Devika Tower,
Fax : +91-120-4082699 | www.rsystems.com | Nehru Place, New Delhi-110019

Annexure 1

Extract of Clause 8 and Clause 13 of Proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited (Amalgamating Company 1), Scaleworx Technologies Private Limited (Amalgamating Company 2) with R Systems International Limited (Amalgamated Company) (hereinafter referred as "Proposed Composite Scheme of Amalgamation") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act") and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Act, read with the rules made thereunder:

The below accounting treatment is in relation to the amalgamation of Velotio Technologies Private Limited (i.e., Amalgamating Company 1) with R Systems International Limited (i.e., Amalgamated Company)

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED COMPANY

8.1 Pursuant to the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 1 with the Amalgamated Company in its books of accounts as per the "Pooling of Interest" method prescribed under Appendix C of the Indian Accounting Standard - 103 - "Business Combinations" (IND AS 103) prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India and any other relevant or related requirement under the Act, as applicable on the Effective Date as under:

8.1.1. All the assets and liabilities and reserves recorded in the books of the Amalgamating Company 1 shall stand transferred to and vested in the books of the Amalgamated Company pursuant to the Scheme and shall be recorded by the Amalgamated Company at their carrying amounts as appearing in the consolidated financial statements of the Amalgamated Company. Accordingly, assets including the goodwill and other intangibles appearing in the consolidated financial statements of the Amalgamated Company, will continue to appear in the standalone financial statements of the Amalgamated Company after giving effect to the Scheme;

8.1.2. The identity of the reserves of the Amalgamating Company 1 shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the Amalgamating Company 1;

8.1.3. Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Amalgamating Company 1 and the Amalgamated Company as appearing in their books of accounts, if any, shall stand cancelled;

8.1.4. Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of the amalgamation, as stated above, as if the amalgamation had occurred from later of beginning of the comparative period or when the control was acquired;

8.1.5. In case of differences in accounting policy between the Amalgamating Company 1 and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail.

For Identification Only
Deloitte Haskins & Sells LLP

R SYSTEMS INTERNATIONAL LTD.

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307
Phones : +91-120-4303500 | Email : rsil@rsystems.com | Regd. Off.: GF-1-A, 6, Devika Tower,
Fax : +91-120-4082699 | www.rsystems.com | Nehru Place, New Delhi-110019

The below accounting treatment is in relation to the amalgamation of Scaleworx Technologies Private Limited (i.e., Amalgamating Company 2) with R Systems International Limited (i.e., Amalgamated Company)

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED COMPANY

13.1 Pursuant to the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 2 with the Amalgamated Company in its books of accounts as per the "Pooling of Interest" method prescribed under Appendix C of the Indian Accounting Standard - 103 - "Business Combinations" (IND AS 103) prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India and any other relevant or related requirement under the Act, as applicable on the Effective Date as under:

13.1.1. All the assets and liabilities and reserves recorded in the books of the Amalgamating Company 2 shall stand transferred to and vested in the books of the Amalgamated Company pursuant to the Scheme and shall be recorded by the Amalgamated Company at their carrying amounts as appearing in the consolidated financial statements of the Amalgamated Company. Accordingly, assets including the goodwill and other intangibles appearing in the consolidated financial statements of the Amalgamated Company, will continue to appear in the standalone financial statements of the Amalgamated Company after giving effect to the Scheme;

13.1.2. The identity of the reserves of the Amalgamating Company 2 shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the Amalgamating Company 2;

13.1.3. Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Amalgamating Company 2 and the Amalgamated Company as appearing in their books of accounts, if any, shall stand cancelled;

13.1.4. Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of the amalgamation, as stated above, as if the amalgamation had occurred from later of beginning of the comparative period or when the control was acquired;

13.1.5. In case of differences in accounting policy between the Amalgamating Company 2 and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail.

For Identification Only
Deloitte Haskins & Sells LLP

For and on behalf of
R Systems International Limited

R SYSTEMS INTERNATIONAL LTD.

Nand Sardana
Chief Financial Officer

Place: Noida
Date: September 11, 2024

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B,
DLF Cyber City Complex,
DLF City Phase - II,
Gurugram - 122 002,
Haryana, India

Phone: +91 124 679 2000
Fax: +91 124 679 2012

To

The Board of Directors
Velotio Technologies Private Limited
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019

Independent Auditor's Certificate certifying the accounting treatment contained in the Proposed Composite Scheme of Amalgamation

1. This certificate is issued in accordance with the terms of our Engagement Letter dated September 4, 2024.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm's Registration No. 117366W/W-100018), the Statutory Auditors of Velotio Technologies Private Limited (hereinafter referred to as "the Company"/ "the Amalgamating Company 1"), have examined the proposed accounting treatment specified in "Clause 28 (the "Accounting Treatment") of the Proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("Amalgamating Company 1"), Scaleworx Technologies Private Limited ("Amalgamating Company 2") with R Systems International Limited ("Amalgamated Company"), under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Proposed Composite Scheme of Amalgamation") with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 the Companies Act, 2013, read with the rules framed there under and other generally accepted accounting principles in India.

Management's responsibility

3. The responsibility for the preparation of the Proposed Composite Scheme of Amalgamation including the proposed accounting treatment therein as specified in clause 28 the Scheme and its compliance with the relevant laws and regulations, including the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made there under, and other generally accepted accounting principles in India, as applicable, is that of the Board of Directors of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Composite Scheme of Amalgamation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the proposed accounting treatment in respect of Amalgamating Company 1, contained in Clause 28 of the Proposed Composite Scheme of Amalgamation referred to above comply with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made thereunder, and other generally accepted accounting principles in India, as applicable. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.

5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

6. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination of the Scheme and according to the information and explanations given to us, upon the Scheme becoming effective, the Amalgamating Company 1 shall stand dissolved without being wound up, without any further act or deed, in accordance with the Companies Act, 2013. Accordingly, no accounting is required in the books of Amalgamating Company 1 to give effect to the Scheme.

8. For ease of references, Clause 28 of the Proposed Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Restriction on use

9. This certificate is issued at the request of the Company pursuant to the requirements of proviso of sub section 3(j) of section 232 of the Companies Act, 2013 for onward submission by the Company to the BSE Limited, National Stock Exchange of India Limited (NSE), National Company Law Tribunal and Regional Director of Ministry of Corporate Affairs (MCA) with respect to the Proposed Composite Scheme of Amalgamation. This certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Digitally signed by Jitendra Agarwal
Date: 2024.09.11 10:26:58 +05'30'

Jitendra Agarwal
Partner
(Membership No.087104)
(UDIN: 24087104BKCUGX9553)

Place: Gurugram
Date: September 11, 2024

VELOTIO

Annexure 1

Extract of Clause 28 of Proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited (Amalgamating Company 1), Scaleworx Technologies Private Limited (Amalgamating Company 2)with R Systems International Limited (Amalgamated Company) (hereinafter referred as "Proposed Composite Scheme of Amalgamation") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act") and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Act, read with the rules made thereunder.

28. DISSOLUTION OF THE AMALGAMATING COMPANIES

28.1 On the Scheme becoming effective, without any further act, instrument or deed, the Amalgamating Companies shall stand dissolved without winding up, their shares shall stand cancelled and extinguished, and their Boards and any committees thereof shall be and stand discharged. On and from the Effective Date, the name of Amalgamating Companies shall be struck off from the records of the RoC.

For Identification Only
Deloitte Haskins & Sells LLP

For and on behalf of
Velotio Technologies Private Limited

VELOTIO TECHNOLOGIES PRIVATE LIMITED

Nand Sardana
Director

Place: Noida
Date: September 11, 2024

Certificate No: B&S/2425/175
UDIN: 24111759BKASCM5198

To

The Board of Directors
Scaleworx Technologies Private Limited
GF-1-A, 6, Devika Tower, Nehru Place,
New Delhi- 110019, India

Independent Auditor's Certificate certifying the accounting treatment contained in the Proposed Composite Scheme of Amalgamation

1. We, Baheti and Somani LLP, (FRN-0124298W), the Statutory Auditors of Scaleworx Technologies Private Limited (hereinafter referred to as "the Company"/ "the Amalgamating Company"), have examined the proposed accounting treatment resulting from "Clause 28 (Dissolution of Amalgamating Companies) of the Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("Amalgamating 1") and Scaleworx Technologies Private Limited ("Amalgamating Company 2") with R Systems International Limited ("Amalgamated Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Proposed Composite Scheme of Amalgamation") with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 the Companies Act, 2013, read with the rules framed there under and other generally accepted accounting principles in India.

Management's responsibility

2. The responsibility for the preparation of the Proposed Composite Scheme of Amalgamation including the proposed accounting treatment therein as specified in clause 28 of the Scheme and its compliance with the relevant laws and regulations, including the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made there under, and other generally accepted accounting principles in India, as applicable, is that of the Board of Directors of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Composite Scheme of Amalgamation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

Auditor's responsibility

3. Our responsibility is only to examine and report whether the proposed accounting treatment in respect of Amalgamating Company 1, contained in Clause 28 of the Proposed Composite Scheme of Amalgamation referred to above comply with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made there under, and other generally accepted accounting principles in India, as applicable. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.

4. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

5. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

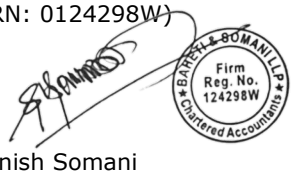
6. Based on our examination of the Scheme and according to the information and explanations given to us, upon the Scheme becoming effective, the Amalgamating Company 2 shall stand dissolved without being wound up and consequently, there is no accounting treatment prescribed under the Scheme in the books of account of the Amalgamating Company 2.

7. For ease of reference, Clause 28 of the Proposed Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Restriction on use

8. This certificate is issued at the request of the Company pursuant to the requirements of the proviso to sub section 3(j) of section 232 of the Companies Act, 2013 for onward submission by the Company to the BSE Limited, National Stock Exchange of India Limited (NSE), National Company Law Tribunal and Regional Director of Ministry of Corporate Affairs (MCA), shareholders, creditors and other regulatory and statutory authority(ies) with respect to the Proposed Composite Scheme of Amalgamation. This certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Baheti and Somanni LLP
Chartered Accountant
(FRN: 0124298W)



Manish Somani
Partner
Membership No: 111759
Date: 11th September 2024

SCALEWORX TECHNOLOGIES PRIVATE LIMITED
Registered Office: GF-1-A, 6, Devika Tower,
Nehru Place, New Delhi - 110019
CIN: U72900DL2020PTC434013
Email: company@scaleworx.io

d **Annexure 1**

Extract of Clause 28 of the Proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited (Amalgamating Company 1), Scaleworx Technologies Private Limited (Amalgamating Company 2) with R Systems International Limited (Amalgamated Company) (hereinafter referred as "Proposed Composite Scheme of Amalgamation") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act") and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Act, read with the rules made thereunder:

28. DISSOLUTION OF THE AMALGAMATING COMPANIES

28.1 On the Scheme becoming effective, without any further act, instrument or deed, the Amalgamating Companies shall stand dissolved without winding up, their shares shall stand cancelled and extinguished, and their Boards and any committees thereof shall be and stand discharged. On and from the Effective Date, the name of Amalgamating Companies shall be struck off from the records of the RoC.

For and on behalf of
Scaleworx Technologies Private Limited

Nand Sardana
Director

Place: Noida
Date: September 11, 2024

For BAHETI & SOMANI LLP
Chartered Accountants
Firm Reg. No. 124298W
(MANISH SOMANI)
Partner
M. No. 111759

THIS ABRIDGED PROSPECTUS ('ABRIDGED PROSPECTUS') HAS BEEN PREPARED SOLELY AS PER THE REQUIREMENTS OF THE SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023, READ WITH SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/POD-1/P/CIR/2024/0154 DATED NOVEMBER 11, 2024, AS AMENDED FROM TIME TO TIME IN CONNECTION WITH THE COMPOSITE SCHEME OF AMALGAMATION OF VELOTIO TECHNOLOGIES PRIVATE LIMITED ("AMALGAMATING COMPANY 1 "/ "VTPL" / "THE COMPANY") AND SCALEWORX TECHNOLOGIES PRIVATE LIMITED ("AMALGAMATING COMPANY 2 "/ "STPL") WITH R SYSTEMS INTERNATIONAL LIMITED ("AMALGAMATED COMPANY"/ "RSIL") UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("THE ACT") ("SCHEME") FILED BEFORE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI. THIS DOCUMENT SHOULD BE READ TOGETHER WITH THE SCHEME, APPROVED BY THE BOARD OF DIRECTORS OF AMALGAMATED COMPANY ON SEPTEMBER 11, 2024 AND THE NOTICE AND EXPLANATORY STATEMENT SENT TO THE SHAREHOLDERS OF RSIL. THE ABRIDGED PROSPECTUS DOES NOT PURPORT TO INCLUDE THE COMPLETE INFORMATION OF THE COMPANY INCLUDING ITS BUSINESS, OPERATIONS, ASSETS, AND LIABILITIES. NOTHING IN THIS ABRIDGED PROSPECTUS CONSTITUTES AN OFFER OR AN INVITATION BY OR ON BEHALF OF EITHER THE COMPANY OR RSIL TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES OF THE COMPANY.

THIS ABRIDGED PROSPECTUS CONTAINS 10 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

VELOTIO TECHNOLOGIES PRIVATE LIMITED
CIN: U72100DL2016PTC434014,
Date of Incorporation: May 01, 2016

Registered Office	Corporate Office	Contact Person	E-mail and Telephone	Website
GF-1-A, 6, Devika Tower, Nehru Place, South Delhi, New Delhi-110019, India	3rd Floor, AG Trade Centre, Ramanagar Colony, Sr. No. 7/8, Plot No. 18, NDA Road, Bavdhan, Pune-411021, Maharashtra, India	Mr. Nand Lal Sardana, Director	**Email:** nand.sardana@rsystems.com **Tel No.:** +91-9810301842	www.velotio.com

NAMES OF PROMOTER(S) OF THE COMPANY

R Systems International Limited

Details of Offer to Public:

Type of Issue (Fresh/ Offer for Sale (OFS) /Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/6(2)	Share Reservation
					QIB NII RII
NOT APPLICABLE					

VELOTIO TECHNOLOGIES PRIVATE LIMITED

1

Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders (*upto a maximum of 10 selling shareholders*)

Name	Type	No of Shares offered/Amount in Rs	Weighted Average Cost of Acquisition (WACA) in Rs per Equity	Name	Type	No of Shares offered/Amount in Rs	WACA in Rs per Equity
NOT APPLICABLE							

WACA: shall be calculated on fully diluted basis

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band*	NOT APPLICABLE
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

*For details of *price band* and *basis of offer price*, please refer to price band advertisement and page xx of RHP – **Not applicable**

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price-Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	NOT APPLICABLE		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

DETAILS OF THE SCHEME AND LISTING

DETAILS OF THE SCHEME

A. **Brief Overview** - RSIL is the holding company of Amalgamated Company 1 and holds 100% (hundred per cent) of the equity shares of the Amalgamated Company 1. The Existing Shareholders (*as defined in the Scheme*) hold 100% (one hundred per cent) of the optionally convertible redeemable preference shares of the Amalgamating Company 1 ("**Amalgamating Company 1 OCRPS**"). The Amalgamating Company 1 holds 100% (hundred per cent) of the equity shares of Amalgamating Company 2.

The Scheme provides for *inter alia*:

(a) as a first step,
  (i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;
  (ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;
  (iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS held by the Existing Shareholders;
  (iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("**OCRPS**") to the Existing Shareholders in lieu of the Amalgamating

VELOTIO TECHNOLOGIES PRIVATE LIMITED

Company 1 OCRPS; pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company;

(b) as a second step (after the first step is effective),

(i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;
(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;
(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act, in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961 including Section 2(1B) thereof.

B. **Appointed Date and Effective Date** - Appointed Date under the Scheme means open of business on April 01, 2024 or such other date as the Tribunal may direct/ allow. Effective Date means the date on which the certified copies of the order of the Tribunal approving the Scheme have been filed with the Registrar of Companies.

The Scheme shall be made effective from the Appointed Date and shall be operative from the Effective Date in the manner further provided in Clause 27 of Part IV of the Scheme.

C. **Consideration/ Share Exchange Ratio for Amalgamation** - Upon the Scheme coming into effect and in consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act, deed, consent or instrument, issue and allot in accordance with the ratio set out below ("**Swap Ratio**"), the OCRPS to the Existing Shareholders of the Amalgamating Company 1 who were holding Amalgamating Company 1 OCRPS and whose name is recorded in the register of members and/ or records of the depository on the Record Date (*as defined under the Scheme*). The terms of the OCRPS to be issued and allotted are set out in Annexure 1 of the Scheme.

"**Swap Ratio**" shall be Four Thousand One Hundred and Sixty Seven (4,167) OCRPS of Amalgamated Company of INR 1/- each fully paid for every One Hundred (100 Only) Amalgamating Company 1 OCRPS of INR 1/- each fully paid up.

D. **Listing of the OCRPS of Amalgamated Company** - The OCRPS shall not be listed or admitted to trading on any stock exchange.

RATIONALE FOR THE SCHEME

Amalgamating Company 2 is a wholly owned subsidiary of Amalgamating Company 1, and Amalgamating Company 1 is a subsidiary of the Amalgamated Company. The Scheme would enable integration of the business activities of the companies under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, inter alia, have the following benefits:

(a) Greater operational and management efficiencies;
(b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities through enhanced geographical reach which will help in gaining market share,

VELOTIO TECHNOLOGIES PRIVATE LIMITED

optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;

(c) Streamlining of business operations and decision-making process and greater economies of scale and enhanced geographical reach, resulting in optimal and efficient utilization of capital;

(d) Dedicated and specialized management focus on the specific needs of business vertical;

(e) Unified approach on customer engagement delivering greater brand value;

(f) Unification and streamlining of management of legal and regulatory compliances;

(g) Greater economic value for the shareholders of the Amalgamated Company; and

(h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of Amalgamating Company 1 and Amalgamating Company 2 shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

RISKS IN RELATION TO THE FIRST OFFER

Risks in relation to the First Offer would not be applicable as the Company is not offering any securities and no investment is being made by the public in the Company pursuant to the Scheme.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking any decision in relation to the Scheme. No securities are being issued by the Company pursuant to the Scheme. Further, the allotment of OCRPS of the Amalgamated Company under the Scheme is limited to the Existing Shareholders (*as defined in the Scheme*) of the Company and the OCRPS shall not be listed or admitted to trading on any stock exchange. The securities have not been recommended or approved by the Securities and Exchange Board of India (**"SEBI"**), not does SEBI guarantee the accuracy and adequacy of the contents of the Scheme or this Abridged Prospectus. For taking any investment decision, investors must rely on their own examination of the Company and the Scheme including the risks involved. Specific attention of the investors is invited to the section titled "Internal Risk Factors" on page 09 of this Abridged Prospectus.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable as no equity shares are offered to the public under the Scheme. Further, the allotment of OCRPS under the Scheme is limited to the existing optionally convertible redeemable preference shareholders of VTPL and the OCRPS shall not be listed or admitted to trading on any stock exchange. Hence, the procedure with respect to a General Information Document is not applicable.

PRICE INFORMATION OF BRLM's

Issue Name	Name of Merchant Banker	+/-% change in closing price, (+/-% change in closing benchmark)- 30th calendar days from listing	+/-% change in closing price, (+/-% change in closing benchmark)- 90th calendar days from listing	+/-% change in closing price, (+/-% change in closing benchmark)- 180th calendar days from listing
NA	Corporate Professionals Capital Private Limited	**NA**	**NA**	**NA**

VELOCITY TECHNOLOGIES PRIVATE LIMITED

Name of BRLM and contact details (telephone and email id) of each BRLM	**NOT APPLICABLE**
Name of Syndicate Members	**NOT APPLICABLE**

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included – **Not Applicable.**

Name of Registrar to the Issue and contact details (telephone and email id)	**NOT APPLICABLE**
Name of Statutory Auditor	M/s. Deloitte Haskins & Sells LLP, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	**NOT APPLICABLE**
Name of Debenture trustee, if any	**NOT APPLICABLE**
Self-Certified Syndicate Banks	**NOT APPLICABLE**
Non Syndicate Registered Brokers	**NOT APPLICABLE**
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	**NOT APPLICABLE**

PROMOTERS OF THE COMPANY			
S. No.	**Name**	**Individual/ Corporate**	**Experience & Educational Qualification**
1)	R Systems International Limited	Corporate	**Experience**: R Systems International Limited is a public limited company incorporated in the year 1993 and engaged in the business of digital product engineering, designing and developing chip-to-cloud software products, platforms, and digital experiences. **Education**: Not Applicable

BUSINESS OVERVIEW AND STRATEGY	
Company Overview:	The Company is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services.
Product/Service Offering:	Our company is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services.
Revenue Segmentation by product/service offering:	Not Applicable as our company derive its revenue from single segment
Geographies Served:	• India • North America • Southeast Asia • Europe • Others

VELOTIO TECHNOLOGIES PRIVATE LIMITED

Revenue segmentation by geographies:	**Revenues – Based on Geographical Location** *(Amount in Crores)* **Region** | **March 31, 2025** | **March 31, 2024** | **March 31, 2023** India | 24.60 | 11.89 | 18.95 North America | 119.46 | 121.41 | 107.01 South East Asia | 0.95 | 3.18 | 1.90 Europe | 1.35 | 0.55 | 0.42 Others | - | - | 0.17
Key Performance Indicators:	Revenue from Operations for the period twelve months ended March 31, 2025, and financial year ended March 31, 2024, were INR 146.34 crores and INR 137.02 crores, respectively.
Client Profile or Industries served: **Revenue Segmentation in terms of top 5/10 clients or Industries:**	The Company serves digital-native startups and enterprises in Healthcare, Media & Streaming, GovTech, Security, and wider Software & Technology (ISVs) domains. *(Amount in Crores)* **Customer** | **March 31, 2025** | **March 31, 2024** | **March 31, 2023** Top | 16.48 | 15.75 | 15.16 Top 5 | 53.09 | 43.69 | 48.03
Intellectual Property, if any:	Nil
Market Share:	Not Ascertainable
Manufacturing Plant, if any:	Not Applicable
Employee Strength:	313 employees as on March 31, 2025

BOARD OF DIRECTORS OF VELOTIO TECHNOLOGIES PRIVATE LIMITED

Sr. No.	Name	Designation (Independent/ Whole-time/ Executive/ Nominee)	Experience and Educational Qualification	Other Directorship
1.	Mr. Kalpak Rajkumar Shah	Whole-time Director	**Experience**: Mr. Kalpak Rajkumar Shah has over 15 years of experience in entrepreneurship, business management and software development. **Educational Qualification**: B.E (Computer)	Indian Companies- Nil Foreign Companies- Nil
2.	Mr. Chirag Hemant Jog	Whole-time Director	**Experience:** Mr. Chirag Hemant Jog has 19+ years of rich experience in leading cross-cultural engineering teams. **Educational Qualification**: B. E (IT)	Indian Companies: 1. Scaleworx Technologies Private Limited Foreign Companies- Nil
3.	Mr. Kapil Dhameja	Independent Director	**Experience**: Mr. Kapil Dhameja worked for over 10 years in Glaxo SmithKline consumer	Indian Companies: 1. R Systems International Limited

6

			healthcare across South East Asia in various leadership positions. **Educational Qualification:** PGDM (MBA), and B. Tech.	2. Kapsa Wellness Private Limited Foreign Companies- Nil
4.	Mrs. Ruchica Gupta	Independent Director	**Experience:** Mrs. Ruchica Gupta, aged about 50 years, have over 15 years of experience as a lecturer at the University of Delhi, she has established a distinguished career trajectory, holding various roles in corporate training and consultancy. **Educational Qualification:** M. Phil, University of Delhi.	Indian Companies 1. R Systems International Limited 2. Bizbox Publishing Private Limited Foreign Companies 1. R Systems Inc.
5.	Mr. Avirag Jain	Director	**Experience:** Mr. Avirag Jain has over 32 years of experience in managing large on-site, off-site, and offshore projects across banking, telecom, healthcare, and other domains. **Educational Qualification:** MBA in Finance and International Business.	Indian Companies 1. Scaleworx Technologies Private Limited Foreign Companies 1. R Systems Computaris International Limited
6.	Mr. Nitesh Bansal	Director	**Experience**: Mr. Nitesh Bansal has 26 years of rich experience in IT Industry. **Educational Qualification**: Chartered Accountant and has pursued executive and leadership courses at INSEAD and Stanford Graduate School of Business	Indian Companies 1. R Systems International Limited Foreign Companies 1. R Systems Computaris International Limited 2. RSIL Mexico, S. de R.L. de C.V. 3. R Systems Technologies Limited 4. R Systems Inc. 5. RSYS Technologies Limited
7.	Mr. Nand Lal Sardana	Director	**Experience:** - Mr. Nand Lal Sardana is serving as Chief Financial Officer of	Indian Companies

VELOTIO TECHNOLOGIES PRIVATE LIMITED

			R Systems International Limited. He has extensive experience in M&A, Corporate finance, Treasury, Securities, Disclosure, Corporate Governance and Financial Planning. **Educational Qualification:** FCA, FCS, ACMA, CPA-USA and L.L.B.	1. Scaleworx Technologies Private Limited Foreign Companies 1. R Systems Inc. 2. RSYS Technologies Limited 3. R Systems Technologies Limited 4. R Systems (Singapore) Pte. Limited 5. R Systems Consulting Services Limited 6. RSIL Mexico, S. de R.L. de C.V.

OBJECTS OF THE ISSUE

Details of means of finance – NOT APPLICABLE

The fund requirements for each of the objects of the Scheme are stated as follows: (Rs. In crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20__	Fiscal 20__
NOT APPLICABLE						

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/right issue, if any, of the Company in the preceding 10 years. – NOT APPLICABLE

Name of monitoring agency, if any – NOT APPLICABLE

Terms of Issuance of Convertible Security, if any

Convertible securities being offered by the Company	**NOT APPLICABLE**
Face Value/Issue Price per Convertible security	
Issue Size	
Interest on Convertible Securities	
Conversion Period of Convertible Securities	
Conversion Price for Convertible Securities	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

PRE-SCHEME SHAREHOLDING PATTERN

Equity Shareholders

S. No.	Particulars	Pre- Issue Number of Shares	Percentage holding of pre-issue (in %)
1.	Promoter & Promoter Group	1,10,813	100
2.	Public	Nil	Nil
Total		**1,10,813**	**100**

Note: Mr. Nand Lal Sardana holds 1 share as Nominee shareholder of R Systems International Limited



Number/amount of equity shares proposed to be sold by selling shareholders, if any – NA

Optionally Convertible Redeemable Preference Shareholders

S. No.	Particulars	Pre- Issue Number of OCRPS	Percentage holding of pre-issue (in %)
1.	Promoter & Promoter Group	Nil	Nil
2.	Public	1,23,850	100
	Total	**1,23,850**	**100**

AUDITED FINANCIALS

(Amount in Crores unless stated otherwise)

Particulars	Audited as on 31.03.2025*	Audited as on 31.03.2024*	Audited as on 31.03.2023
Total Income from operations	146.34	137.02	128.46
Net Profit / (Loss) before tax and extraordinary items	37.77	7.35	25.08
Net Profit / (Loss) after tax and extraordinary items	28.32	2.55	18.65
Equity Share Capital	0.01	0.01	0.01
Reserves and Surplus	44.31	31.46	29.57
Net Worth	44.32	31.47	29.58
Basic earnings per share (Amount in Rs.)	2,555.48	229.85	1,655.40
Diluted Earnings per share (Amount in Rs.)	1,206.75	108.54	1,655.40
Return on net worth (%)	63.90	8.10	62.00
Net asset value per share (Amount in Rs.) **	3,999.44	2,839.92	2,669.36

**Shareholders of our company have accorded their consent for not presenting the consolidated financial statements from the financial year commencing on 2023-2024 and for any subsequent period in accordance with the provisions of Section 129 of the Act read with Rule 6 of the Companies (Accounts) Rules, 2014.*

*** The Net Asset Value (NAV) per share has been calculated based on the current outstanding equity share capital of the Company, which is 1,10,813 equity shares.*

INTERNAL RISK FACTORS

The below mentioned risks are top 5 risk factors:

1) **Competition Risk –** The IT & ITES sector is a highly competitive sector. 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.
2) **Foreign Currency Rate Fluctuations –** Managing an equilibrium state in the light of the unfavorable 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 Company's consolidated revenues are either foreign currency denominated or derived from export earnings. Whereas a major portion of expenses in India are incurred in Indian Rupees. As a result, operating profits will be highly impacted by foreign currency rate fluctuations.
3) **Technological Obsolescence –** The IT and ITES sector is characterized by technological changes at a rapid rate, evolution of existing products and introduction of new products.
4) **Credit Risk –** As a matter of business practice, the payment collection process may extend over period of time. Customers budgeting constraints can impact their ability to make the required payments. In addition, the creditworthiness of clients may deteriorate, and Company can be adversely affected by bankruptcies or other business failures of Company's customers.
5) **Talent Acquisition & Retention Risk –** The IT sector is highly competitive in terms of hiring strategy and incentives. Company is highly dependent on its employees at various levels of the organization 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 organizations and

VELOTIO TECHNOLOGIES PRIVATE LIMITED

if our organization is unable to attract and retain the skilled people, it will affect the Company's ability to grow and provide services to its customers.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Company and amount involved:

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by SEBI or Stock Exchange against our promoters	Material Civil Litigations	Aggregate amount involved (INR in crores)
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

B. Brief details of top 5 material outstanding litigations against the Company and amount involved

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
NOT APPLICABLE				

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against Promoters: Nil

ANY OTHER IMPORTANT INFORMATION

Not Applicable

DECLARATION BY THE COMPANY

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For Velotio Technologies Private Limited

Nand Lal Sardana
Director
DIN: 09592752

Place: New Delhi
Date: June 13, 2025

Corporate Professionals

Date: June 16, 2025

Ref. No.: CPC/MB/050/2025-26

To
The Board of Directors
R Systems International Limited
GF-1-A, 6, Devika Tower, Nehru Place, South Delhi,
New Delhi-110019, India

To
The Board of Directors
Velotio Technologies Private Limited
GF-1-A, 6, Devika Tower, Nehru Place, South Delhi,
New Delhi-110019, India

Subject: Proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("Amalgamating Company-1"/ "The Company") and Scaleworx Technologies Private Limited ("Amalgamating Company-2/") with R Systems International Limited ("Amalgamated Company") ("Scheme")

Re: Due Diligence Certificate in adherence to SEBI's Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, read with SEBI's Master Circular Bearing Number SEBI/HO/CFD/POD-1/P/CIR/2024/0154 dated November 11, 2024

Dear Sir(s),

This is in reference to our engagement for providing Due Diligence Certificate ("Certificate") on the accuracy and adequacy of the disclosures made in the Abridged Prospectus pertaining to Velotio Technologies Private Limited as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI's Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI's Master Circular Bearing Number SEBI/HO/CFD/POD-1/P/CIR/2024/0154 dated November 11, 2024 ("SEBI Circulars").

The Scheme, under Section 230-232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Amalgamated Company on September 11, 2024, and shall be made effective from the Appointed Date i.e., April 01, 2024 or such other date as the Hon'ble National Company Law Tribunal (or other competent authority vested with the powers of the Hon'ble National Company Law Tribunal for the purpose of Sections 230 to 232 of the Companies Act, 2013) may direct/allow and shall be operative from the Effective Date in the manner further provided in Clause 27 of Part IV of the Scheme.

The information contained herein, and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in compliance with the SEBI Circulars.



SCOPE AND LIMITATIONS:

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI Circulars and hence should not be used for any other purpose or transaction.
- Our due diligence and result are specific to the date of this Certificate and based on information as at June 13, 2025. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company has drawn our attention to all the matters, which it was aware of concerning inter-alia its financial position, business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

CONCLUSION:

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated June 13, 2025, is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate, in terms of the SEBI Circulars.

Yours Faithfully,

For **Corporate Professionals Capital Private Limited**



(Manoj Kumar)
Partner and Head – Investment Banking and M&A

THIS ABRIDGED PROSPECTUS ('ABRIDGED PROSPECTUS') HAS BEEN PREPARED SOLELY AS PER THE REQUIREMENTS OF THE SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023, READ WITH SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/POD-1/P/CIR/2024/0154 DATED NOVEMBER 11, 2024, AS AMENDED FROM TIME TO TIME IN CONNECTION WITH THE COMPOSITE SCHEME OF AMALGAMATION OF VELOTIO TECHNOLOGIES PRIVATE LIMITED ("AMALGAMATING COMPANY 1 "/ "VTPL") AND SCALEWORX TECHNOLOGIES PRIVATE LIMITED ("AMALGAMATING COMPANY 2 "/ "STPL" / "THE COMPANY") WITH R SYSTEMS INTERNATIONAL LIMITED ("AMALGAMATED COMPANY"/ "RSIL") UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("THE ACT") ("SCHEME") FILED BEFORE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI. THIS DOCUMENT SHOULD BE READ TOGETHER WITH THE SCHEME, APPROVED BY THE BOARD OF DIRECTORS OF AMALGAMATED COMPANY ON SEPTEMBER 11, 2024 AND THE NOTICE AND EXPLANATORY STATEMENT SENT TO THE SHAREHOLDERS OF RSIL. THE ABRIDGED PROSPECTUS DOES NOT PURPORT TO INCLUDE THE COMPLETE INFORMATION OF THE COMPANY INCLUDING ITS BUSINESS, OPERATIONS, ASSETS, AND LIABILITIES. NOTHING IN THIS ABRIDGED PROSPECTUS CONSTITUTES AN OFFER OR AN INVITATION BY OR ON BEHALF OF EITHER THE COMPANY OR RSIL TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES OF THE COMPANY.

THIS ABRIDGED PROSPECTUS CONTAINS 10 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

SCALEWORX TECHNOLOGIES PRIVATE LIMITED

CIN: U72900DL2020PTC434013

Date of Incorporation: November 07, 2020

Registered Office	Corporate Office	Contact Person	E-mail and Telephone	Website
GF-1-A, 6, Devika Tower, Nehru Place, South Delhi, New Delhi-110019, India	3rd Floor, AG Trade Centre, Ramanagar Colony, Sr. No. 7/8, Plot No. 18, NDA Road, Bavdhan, Pune-411021, Maharashtra, India	Mr. Nand Lal Sardana, Director	**Email:** nand.sardana@rsystems.com **Tel No.:** +91-9810301842	NA

NAME OF PROMOTER OF THE COMPANY

Velotio Technologies Private Limited

Details of Offer to Public:

Type of Issue (Fresh/ Offer for Sale (OFS) /Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/6(2)	Share Reservation QIB NII RII
NOT APPLICABLE					

1



Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders (*upto a maximum of 10 selling shareholders*)

Name Type	No of Shares offered/Amount in Rs	Weighted Average Cost of Acquisition (WACA) in Rs per Equity	Name Type	No of Shares offered/Amount in Rs	WACA in Rs per Equity
NOT APPLICABLE					

WACA: shall be calculated on fully diluted basis

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band*	**NOT APPLICABLE**
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

*For details of *price band* and *basis of offer price*, please refer to price band advertisement and page xx of RHP – **Not applicable**

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price-Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	**NOT APPLICABLE**		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

DETAILS OF THE SCHEME AND LISTING

DETAILS OF THE SCHEME

A. **Brief Overview** - RSIL is the holding company of Amalgamated Company 1 and holds 100% (hundred per cent) of the equity shares of the Amalgamated Company 1. The Existing Shareholders (*as defined in the Scheme*) hold 100% (one hundred per cent) of the optionally convertible redeemable preference shares of the Amalgamating Company 1 ("**Amalgamating Company 1 OCRPS**"). The Amalgamating Company 1 holds 100% (hundred per cent) of the equity shares of Amalgamating Company 2.

The Scheme provides for *inter alia*:

(a) as a first step,

(i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;

SCALEWORX TECHNOLOGIES PVT. LTD.

(ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the Amalgamating Company 1 OCRPS held by the Existing Shareholders;

(iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company ("**OCRPS**") to the Existing Shareholders in lieu of the Amalgamating Company 1 OCRPS; pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned Subsidiary of the Amalgamated Company;

(b) as a second step (after the first step is effective),

(i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;

(ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;

(iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and

(c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act, in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961 including Section 2(1B) thereof.

B. **Appointed Date and Effective Date -** Appointed Date under the Scheme means open of business on April 01, 2024 or such other date as the Tribunal may direct/ allow. Effective Date means the date on which the certified copies of the order of the Tribunal approving the Scheme have been filed with the Registrar of Companies.

The Scheme shall be made effective from the Appointed Date and shall be operative from the Effective Date in the manner further provided in Clause 27 of Part IV of the Scheme.

C. **Consideration/ Share Exchange Ratio for Amalgamation** - Upon the Scheme coming into effect and in consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act, deed, consent or instrument, issue and allot in accordance with the ratio set out below ("Swap Ratio"), the OCRPS to the Existing Shareholders of the Amalgamating Company 1 who were holding Amalgamating Company 1 OCRPS and whose name is recorded in the register of members and/ or records of the depository on the Record Date (*as defined under the Scheme*).

The terms of the OCRPS to be issued and allotted are set out in Annexure 1 of the Scheme.

"**Swap Ratio**" shall be Four Thousand One Hundred and Sixty Seven (4,167) OCRPS of Amalgamated Company of INR 1/- each fully paid for every One Hundred (100 Only) Amalgamating Company 1 OCRPS of INR 1/- each fully paid up.

D. **Listing of the OCRPS of Amalgamated Company -** The OCRPS shall not be listed or admitted to trading on any stock exchange.

SCALEWORX TECHNOLOGIES PVT. LTD.

RATIONALE FOR THE SCHEME

Amalgamating Company 2 is a wholly owned subsidiary of Amalgamating Company 1, and Amalgamating Company 1 is a subsidiary of the Amalgamated Company. The Scheme would enable integration of the business activities of the companies under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, inter alia, have the following benefits:

(a) Greater operational and management efficiencies;
(b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities through enhanced geographical reach which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;
(c) Streamlining of business operations and decision-making process and greater economies of scale and enhanced geographical reach, resulting in optimal and efficient utilization of capital;
(d) Dedicated and specialized management focus on the specific needs of business vertical;
(e) Unified approach on customer engagement delivering greater brand value;
(f) Unification and streamlining of management of legal and regulatory compliances;
(g) Greater economic value for the shareholders of the Amalgamated Company; and
(h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of Amalgamating Company 1 and Amalgamating Company 2 shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.

RISKS IN RELATION TO THE FIRST OFFER

Risks in relation to the First Offer would not be applicable as the Company is not offering any securities and no investment is being made by the public in the Company pursuant to the Scheme.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking any decision in relation to the Scheme. No securities are being issued by the Company pursuant to the Scheme. Further, the allotment of OCRPS of the Amalgamated Company under the Scheme is limited to the Existing Shareholders (*as defined in the Scheme*) of the Amalgamating Company 1 and the OCRPS shall not be listed or admitted to trading on any stock exchange. The securities have not been recommended or approved by the Securities and Exchange Board of India (**"SEBI"**), not does SEBI guarantee the accuracy and adequacy of the contents of the Scheme or this Abridged Prospectus. For taking any investment decision, investors must rely on their own examination of the Company and the Scheme including the risks involved. Specific attention of the investors is invited to the section titled "Internal Risk Factors" on page 09 of this Abridged Prospectus.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable as no equity shares are offered to the public under the Scheme. Further, the allotment of OCRPS under the Scheme is limited to the existing optionally convertible redeemable preference shareholders of VTPL and the OCRPS shall not be listed or admitted to trading on any stock exchange. Hence, the procedure with respect to a General Information Document is not applicable.

SCALEWORX TECHNOLOGIES PVT. LTD.

PRICE INFORMATION OF BRLM's				
Issue Name	Name of Merchant Banker	+/-% change in closing price, (+/-% change in closing benchmark)- 30th calendar days from listing	+/-% change in closing price, (+/-% change in closing benchmark)- 90th calendar days from listing	+/-% change in closing price, (+/-% change in closing benchmark)- 180th calendar days from listing
NA	Corporate Professionals Capital Private Limited	**NA**	**NA**	**NA**

Name of BRLM and contact details (telephone and email id) of each BRLM	**NOT APPLICABLE**
Name of Syndicate Members	**NOT APPLICABLE**

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included – **Not Applicable.**

Name of Registrar to the Issue and contact details (telephone and email id)	**NOT APPLICABLE**
Name of Statutory Auditor	M/s. Baheti & Somani LLP, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	**NOT APPLICABLE**
Name of Debenture trustee, if any	**NOT APPLICABLE**
Self-Certified Syndicate Banks	**NOT APPLICABLE**
Non Syndicate Registered Brokers	**NOT APPLICABLE**
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	**NOT APPLICABLE**

PROMOTERS OF SCALEWORX TECHNOLOGIES PRIVATE LIMITED			
S. No.	**Name**	**Individual/Corporate**	**Experience & Educational Qualification**
1)	Velotio Technologies Private Limited	Corporate	**Experience:** Velotio Technologies Private Limited is a company incorporated in 2016, engaged in the business of outsourced information technology services, including outsourced product development and digital product engineering services. **Education Qualification:** NA

SCALEWORX TECHNOLOGIES PVT. LTD.

<table>
<tr><th colspan="2">BUSINESS OVERVIEW AND STRATEGY</th></tr>
<tr><td>Company Overview:</td><td>The Company is incorporated under the provisions of the Companies Act, 2013 having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, South Delhi, Delhi-110019, India. Our Company is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services.</td></tr>
<tr><td>Product/Service Offering:

Revenue Segmentation by product/service offering:</td><td>The Company is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services.

Not Applicable as our company derive its revenue from single segment</td></tr>
<tr><td>Geographies Served:

Revenue segmentation by geographies:</td><td>• India.
• North America.

<u>Revenues – Based on Geographical Location</u>
(Amount in Crores)
<table>
<tr><th>Region</th><th>March 31, 2025</th><th>March 31, 2024</th><th>March 31, 2023</th></tr>
<tr><td>India</td><td>7.56</td><td>6.78</td><td>10.43</td></tr>
<tr><td>North America</td><td>4.18</td><td>4.49</td><td>2.42</td></tr>
</table></td></tr>
<tr><td>Key Performance Indicators:</td><td>Revenue from Operations for the financial year ended March 31, 2025, and financial year ended March 31, 2024, were INR 11.74 crores and INR 11.27 crores respectively.</td></tr>
<tr><td>Client Profile or Industries served:

Revenue Segmentation in terms of top 5/10 clients or Industries:</td><td>The Company focuses on DevOps and cloud engineering work for technology startups, prop-tech, healthcare and SaaS companies.
(Amount in Crores)
<table>
<tr><th>Customer</th><th>March 31, 2025</th><th>March 31, 2024</th><th>March 31, 2023</th></tr>
<tr><td>Top</td><td>7.37</td><td>7.42</td><td>6.06</td></tr>
<tr><td>Top 5</td><td>11.74</td><td>11.00</td><td>6.97</td></tr>
</table></td></tr>
<tr><td>Intellectual Property, if any:</td><td>Nil</td></tr>
<tr><td>Market Share:</td><td>Not Ascertainable</td></tr>
<tr><td>Manufacturing Plant, if any:</td><td>Not Applicable</td></tr>
<tr><td>Employee Strength:</td><td>13 employees as on March 31, 2025</td></tr>
</table>

SCALEWORX TECHNOLOGIES PVT. LTD.

6

BOARD OF DIRECTORS OF SCALEWORX TECHNOLOGIES PRIVATE LIMITED

Sr. No.	Name	Designation (Independent/ Whole-time/ Executive/ Nominee)	Experience and Educational Qualification	Other Directorship
1.	Mr. Chirag Hemant Jog	Director	**Experience:** Mr. Chirag Hemant Jog has 19+ years of experience in leading cross-cultural engineering teams. **Educational Qualification:** B.E (IT)	Indian companies 1. Velotio Technologies Private limited Foreign companies- Nil
2.	Mr. Avirag Jain	Director	**Experience:** Mr. Avirag Jain has over 32 years of experience in managing large on-site, off-site, and offshore projects across banking, telecom, healthcare, and other domains. **Educational Qualification:** Mr. Avirag Jain is a Science graduate and holds an MBA in Finance and International Business along with a Postgraduate Diploma in Cyber Law.	Indian Companies 1. Velotio Technologies Private limited Foreign Companies- 1. R Systems Computaris International Limited
3.	Mr. Nand Lal Sardana	Director	**Experience:** Mr. Nand Lal Sardana is serving as Chief Financial Officer of R Systems International Limited. He has extensive experience in M&A, Corporate finance, Treasury, Securities, Disclosure, Corporate Governance and Financial Planning. **Educational Qualification:** FCA, FCS, ACMA, CPA-USA and L.L.B	Indian Companies 1. Velotio Technologies Private Limited Foreign Companies 1. R Systems Inc. 2. RSYS Technologies Limited 3. R Systems Technologies Limited 4. R Systems (Singapore) Pte. Limited 5. R Systems Consulting Services Limited 6. RSIL Mexico, S.de R.L. de C.V.

7

SCALEWORX TECHNOLOGIES PVT. LTD.

OBJECTS OF THE ISSUE

Details of means of finance – NOT APPLICABLE

The fund requirements for each of the objects of the Scheme are stated as follows: (Rs. In crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20__	Fiscal 20__
NOT APPLICABLE						

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/right issue, if any, of the Company in the preceding 10 years. – NOT APPLICABLE

Name of monitoring agency, if any – NOT APPLICABLE

Terms of Issuance of Convertible Security, if any

Convertible securities being offered by the Company	**NOT APPLICABLE**
Face Value/Issue Price per Convertible security	
Issue Size	
Interest on Convertible Securities	
Conversion Period of Convertible Securities	
Conversion Price for Convertible Securities	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

PRE-SCHEME SHAREHOLDING PATTERN

S. No.	Particulars	Pre- Issue Number of Equity Shares	Percentage holding of pre-issue (in %)
1.	Promoter & Promoter Group	14,666	100
2.	Public	Nil	Nil
Total		**14,666**	**100**

Mr. Chirag Hemant Jog holds 1 equity share of the Company as nominee of Velotio Technologies Private Limited.

Number/amount of equity shares proposed to be sold by selling shareholders, if any – NA

AUDITED FINANCIALS

(Amount in Crores unless stated otherwise)

Particulars	Audited as on 31.03.2025	Audited as on 31.03.2024	Audited as on 31.03.2023
Total Income from operations	11.74	11.27	12.86
Net Profit / (Loss) before tax and extraordinary items	2.30	0.27	4.25
Net Profit / (Loss) after tax and extraordinary items	1.88	0.15	3.17
Equity Share Capital	0.01	0.01	0.01
Reserves and Surplus	6.60	4.99	4.87
Net Worth	6.61	5.00	4.88

8

Particulars	Audited as on 31.03.2025	Audited as on 31.03.2024	Audited as on 31.03.2023
Basic earnings per share (Rs.)	1,140.81	102.42	2,161.69
Diluted Earnings per share (Amount in Rs.)	1,140.81	102.42	2,161.69
Return on net worth (%)	25.28	3.00	64.95
Net asset value per share (Amount in Rs.)	4,512.16	3,410.16	3,328.76

The Net Asset Value (NAV) per share has been calculated based on the current outstanding equity share capital of the Company, which is 14,666 equity shares.

INTERNAL RISK FACTORS

The below mentioned risks are top 5 risk factors:

1) **Competition Risk** – The IT & ITES sector is a highly competitive sector. 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.

2) **Foreign Currency Rate Fluctuations –** Managing an equilibrium state in the light of the unfavorable 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 Company's consolidated revenues are either foreign currency denominated or derived from export earnings. Whereas a major portion of expenses in India are incurred in Indian Rupees. As a result, operating profits will be highly impacted by foreign currency rate fluctuations.

3) **Technological Obsolescence** – The IT and ITES sector is characterized by technological changes at a rapid rate, evolution of existing products and introduction of new products.

4) **Credit Risk** – As a matter of business practice, the payment collection process may extend over period of time. Customers budgeting constraints can impact their ability to make the required payments. In addition, the creditworthiness of clients may deteriorate, and Company can be adversely affected by bankruptcies or other business failures of Company's customers.

5) **Talent Acquisition & Retention Risk** – The IT sector is highly competitive in terms of hiring strategy and incentives. Company is highly dependent on its employees at various levels of the organization 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 organizations and if our organization is unable to attract and retain the skilled people, it will affect the Company's ability to grow and provide services to its customers.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Company and amount involved:

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by SEBI or Stock Exchange against our promoters	Material Civil Litigations	Aggregate amount involved (INR in crores)
Company						

SCALEWORX TECHNOLOGIES PVT. LTD.

By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By Subsidiaries	Not Applicable as STPL does not have any subsidiary					
Against Subsidiaries						

B. Brief details of top 5 material outstanding litigations against the Company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
NOT APPLICABLE				

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against Promoters: Nil

ANY OTHER IMPORTANT INFORMATION

Not Applicable

DECLARATION BY THE COMPANY

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For Scaleworx Technologies Private Limited

Nand Lal Sardana
Director
DIN: 09592752

Place: New Delhi
Date: June 13, 2025

Corporate Professionals

Date: June 16, 2025

Ref. No.: CPC/MB/051/2025-26

To
The Board of Directors
R Systems International Limited
GF-1-A, 6, Devika Tower, Nehru Place, South Delhi,
New Delhi-110019, India

To
The Board of Directors
Scaleworx Technologies Private Limited
GF-1-A, 6, Devika Tower, Nehru Place, South Delhi,
New Delhi-110019, India

Subject: Proposed Composite Scheme of Amalgamation of Velotio Technologies Private Limited ("Amalgamating Company-1") and Scaleworx Technologies Private Limited ("Amalgamating Company-2"/ "The Company") with R Systems International Limited ("Amalgamated Company") ("Scheme")

Re: Due Diligence Certificate in adherence to SEBI's Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, read with SEBI's Master Circular Bearing Number SEBI/HO/CFD/POD-1/P/CIR/2024/0154 dated November 11, 2024

Dear Sir(s),

This is in reference to our engagement for providing Due Diligence Certificate ("Certificate") on the accuracy and adequacy of the disclosures made in the Abridged Prospectus pertaining to Scaleworx Technologies Private Limited as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI's Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI's Master Circular Bearing Number SEBI/HO/CFD/POD-1/P/CIR/2024/0154 dated November 11, 2024 ("SEBI Circulars").

The Scheme, under Section 230-232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Amalgamated Company on September 11, 2024, and shall be made effective from the Appointed Date i.e., April 01, 2024 or such other date as the Hon'ble National Company Law Tribunal (or other competent authority vested with the powers of the Hon'ble National Company Law Tribunal for the purpose of Sections 230 to 232 of the Companies Act, 2013) may direct/allow and shall be operative from the Effective Date in the manner further provided in Clause 27 of Part IV of the Scheme.

The information contained herein, and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in compliance with the SEBI Circulars.

Corporate Professionals Capital Pvt. Ltd. D-28 South Extn. Part-I New Delhi 110049

SCOPE AND LIMITATIONS:

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI Circulars and hence should not be used for any other purpose or transaction.
- Our due diligence and result are specific to the date of this Certificate and based on information as at June 13, 2025. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company has drawn our attention to all the matters, which it was aware of concerning inter-alia its financial position, business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

CONCLUSION:

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated June 13, 2025, is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate, in terms of the SEBI Circulars.

Yours Faithfully,

For **Corporate Professionals Capital Private Limited**

D-28 South Extn. Part-I New Delhi 110049

(Manoj Kumar)
Partner and Head – Investment Banking and M&A