



R SYSTEMS INTERNATIONAL LIMITED
Corporate Identification No. L74899DL1993PLC053579
Registered Office: B - 104A, Greater Kailash - I, New Delhi - 110 048
Corporate Office: C - 40, Sector - 59, Noida (U.P.) - 201 307
Telephone: 0120 - 430 3500 Fax: 0120 - 258 7123
Website: www.rsystems.com; Email: investors@rsystems.com

POSTAL BALLOT NOTICE
(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies
(Management & Administration) Rules, 2014)

Dear Shareholder(s) / Member(s),

NOTICE is hereby given pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time) that the resolutions appended below are proposed to be passed by the Members as Ordinary/Special Resolution by way of Postal Ballot / electronic voting (e-voting).

Resolutions along with Explanatory Statement setting out material facts are as follows:

1. REAPPOINTMENT OF MR. SATINDER SINGH REKHI (DIN: 00006955) AS MANAGING DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 203 and other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under read with Schedule V of the said Act (including any statutory modification or re-enactment thereof) and applicable regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with Article 165 to 168 of the Articles of Association of the Company, consent of the members of the Company be and is hereby granted for re-appointment of Mr. Satinder Singh Rekhi (DIN: 00006955) as Managing Director of the Company not liable to retire by rotation, for a period of five years i.e. from January 01, 2019 to December 31, 2023 in accordance with the provisions of the Companies Act, 2013 and applicable R Systems policies.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to any committee of directors, director or any other principal officer of the Company on such conditions as the Board may prescribe.”

2. PAYMENT OF REMUNERATION TO MR. SATINDER SINGH REKHI AS MANAGING DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under read with Schedule V of the said Act (including any statutory modification or re-enactment thereof), consent of the members of the Company be and is hereby granted for payment of remuneration to Mr. Satinder Singh Rekhi (DIN: 00006955) as Managing Director of the Company for a period commencing from January 01, 2019 to December 31, 2021 in accordance with the provisions of the Companies Act, 2013 and applicable R Systems policies on the following terms and conditions:

1. Compensation: He will be paid at the rate of USD 400,000 (USD Four Lakhs only) per annum as base salary by the Company and/or its subsidiaries. This will be payable semi-monthly on the 15th of each month and again on the last day of the month. Applicable taxes will be deducted from his gross earnings;

2. Automobile: The Company will furnish him with an automobile including maintenance and fuel expenses, comparable to his position, while employed with the Company;
3. Health Insurance: He and his qualified dependents will be eligible to receive health insurance coverage through the Company or its subsidiaries insurance carriers. The terms, conditions and eligibility requirements for such insurance coverage are set forth in the summary plan description(s) describing the coverage;
4. Other benefits: He will be eligible to participate in the Company's or R Systems, Inc.'s retirement plans in accordance with the prevalent policies;
5. Incentive: He will also be entitled for an annual incentive of 2% of the consolidated net profits subject to a maximum of USD 150,000 (USD One Lakh Fifty Thousand only);
6. Annual increment up to 5% on base salary of the immediate previous year.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Satinder Singh Rekhi as Managing Director of the Company, the Company shall pay him the remuneration as specified above as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter and modify the terms and conditions of re-appointment including designation, remuneration / remuneration structure of Mr. Satinder Singh Rekhi within the limits set out above.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to any committee of directors, director or any other principal officer of the Company on such conditions as the Board may prescribe.”

**By Order of the Board
For R Systems International Limited**

Place : Noida

Date : October 30, 2018

**Sd/-
Bhasker Dubey
Company Secretary & Compliance Officer**

Notes:

1. Explanatory Statements and reasons for the proposed resolutions stated herein above, pursuant to Section 102 read with Section 110 of the Companies Act, 2013 and Rules made thereunder are annexed hereto.
2. As the Company is seeking the consent of its members to the proposed resolutions by means of postal ballot, a Postal Ballot Form for voting by members forms part of the notice.
3. The Postal Ballot notice (“Notice”) is being sent to all the Members of the Company whose names appear on the Register of Members / List of Beneficial Owners, as received from National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on Friday, November 02, 2018 (“Cut-off date”).
4. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the said cut-off date. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by Postal Ballot or e-voting.
5. The Postal Ballot Notice is being sent to members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For members whose email IDs are not registered,

physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope.

6. The Company has appointed Mr. Sanjay Grover of M/s. Sanjay Grover & Associates, Company Secretaries (Membership No. FCS 4223; C.P. No. 3850) as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
7. Pursuant to Section 108, 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company offers electronic voting ("e-voting") option to the members as an alternative, to enable members to vote electronically instead of dispatching the Postal Ballot Form. The Company has engaged the services of CDSL for facilitating such e-voting facility to its members.
8. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through Physical Form may download the Postal Ballot Form from the weblink in the e-mail or from the Company's website <https://www.rsyste.ms.com/investors/PostalBallot.aspx> or may send an e-mail to investors@rsyste.ms.com.
9. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours (i.e. 17:00 hours IST) on Wednesday, December 19, 2018. The postage cost will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or by Registered / Speed Post at the expense of the shareholder will also be accepted. If any postal ballot is received after 05:00 p.m. IST on Wednesday, December 19, 2018, it will be considered that no reply from the member has been received.
10. Kindly note that each Member can opt for only one mode for voting i.e., either by Physical Ballot or by E-Voting. However, in case members cast their vote both via physical ballot and e-voting, then voting done by e-voting shall prevail and voting through postal ballot shall be treated as invalid.

11. The instructions for shareholders for e-voting are as under:

- i. The e-voting period begins on Tuesday, November 20, 2018 at 10:00 a.m. onwards and ends on Wednesday, December 19, 2018 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, November 02, 2018 may cast their vote through e-voting. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com
- iv. Click on "Shareholders".
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the attendance slip indicated in the PAN field.
Dividend Bank Details or Date of Birth(DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> if both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <Company Name> (R Systems International Limited) on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. If you as Demat account holder has forgotten the existing password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows Phone

users can download the app from the APP store and the Windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
12. The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman or Company Secretary of the Company. The result of the Postal Ballot shall be announced by the Chairman, or in his absence by any other person authorised by the Chairman, on Friday, December 21, 2018 on or before 3.00 P.M. at the Registered Office of the Company at B - 104A, Greater Kailash - I, New Delhi - 110 048. The Resolution, if approved by the requisite majority, shall be deemed to have been passed on Wednesday, December 19, 2018, being the last date specified for receipt of duly completed Postal Ballot Forms/e-voting.
13. Resolution passed by the members through postal ballot are deemed to have been passed as if they have passed at a general meeting of members.
14. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. www.rsystems.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.
15. All the material documents referred to in the accompanying Notice and the Explanatory Statements will be available for inspection by the members at the Registered Office at B-104A, Greater Kailash-I, New Delhi-110048 and at the Corporate Office at C-40, Sector -59, NOIDA -201307 of the Company during working hours on all working days upto Wednesday, December 19, 2018.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 & 110 OF THE COMPANIES ACT, 2013

ITEM NO. 01& 02

RE-APPOINTMENT OF MR. SATINDER SINGH REKHI (DIN: 00006955) AS MANAGING DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION TO MR. SATINDER SINGH REKHI AS MANAGING DIRECTOR OF THE COMPANY

Mr. Satinder Singh Rekhi aged about 67 years founded R Systems in 1993. Mr. Rekhi is a technocrat with over 35 years of experience in the information technology industry. Prior to R Systems, Mr. Rekhi held senior management positions with HCL Technologies and DISC (now Synergex) in the United States, Singapore and India. Mr. Rekhi received a Bachelor of Technology from IIT, Kharagpur, India and a Masters in Business Administration from California State University, Sacramento. He has also attended several senior management programs from University of Berkeley and Harvard Business School.

The shareholders of the Company by passing necessary resolution through postal ballot on January 14, 2014 had appointed Mr. Satinder Singh Rekhi as Chairman & Managing Director of the Company (the office of Chairman later relinquished by him) for a period of five years i.e. from January 01, 2014 to December 31, 2018 and had also approved his remuneration for a period of three years i.e. from January 01, 2014 to December 31, 2016, subject to necessary approval of the Central Government pursuant to the Companies Act, 1956. Based on the application filed by the company under provision of Companies Act, 1956, the Central Government approved his remuneration for a period 3 months i.e. from January 01, 2014 to March 31, 2014.

Further, shareholders by passing special resolution through Postal Ballot on December 16, 2014 and September 09, 2016, approved the payment of remuneration of Mr. Rekhi for a period commencing from April 01, 2014 to December 31, 2018 in accordance with the provision of the Companies Act, 2013.

The present term of his appointment is about to be completed on December 31, 2018 and considering his continued contributions and efforts towards the success of the Company, the Board on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members, reappointed him as Managing Director of the Company not liable to retire by rotation, for a further term of five years i.e. from

January 01, 2019 to December 31, 2023 and also approved the remuneration for the period of three years i.e. from January 01, 2019 to December 31, 2021. As Managing Director, Mr. Rekhi is responsible for overall business development and working of the Company and his presence is crucial for the effective and efficient operations of the business.

As on the date of this notice, Mr. Rekhi holds 1,640,352 equity shares (being 1.32% of the total paid up share capital) of the Company in his own name and 12,150,731 equity shares (being 9.80% of the total paid up share capital) of the Company as trustee of Satinder & Harpreet Rekhi Family Trust. Further, the offices of R Systems International Limited U.S.A. Branch and R Systems, Inc., a wholly owned subsidiary of R Systems International Limited (hereinafter referred to as R Systems) based in United States of America is jointly owned by Mr. Satinder Singh Rekhi and his wife, Mrs. Harpreet Rekhi and the said office is obtained on lease from them on a monthly rental of USD16,500. Further, Mr. Rekhi is holding the office of director in the following twelve bodies corporate, which are incorporated and based outside India as on the date of this notice namely, R Systems, Inc., R Systems Technologies Ltd. (Formerly known as Indus Software, Inc.), R Systems (Singapore) Pte. Ltd, RightMatch Holdings Ltd., ECnet, Inc., ECnet Systems (Thailand) Company Limited, Computaris International Limited, Computaris USA, Inc., RSYS Technologies Ltd. (Formerly known as Systèmes R. International Ltée), IBIZ Consulting Pte Ltd (Formerly known as IBIZCS Group Pte Ltd.), IBIZ Consulting Services Pte Ltd. and IBIZ Consulting Services Limited.

As per the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, the approval of shareholders for reappointment of Mr. Satinder Singh Rekhi as Managing Director of the Company and for payment of remuneration of Mr. Satinder Singh Rekhi as Managing Director is being sought to be obtained through postal ballot. The Board of directors recommends that the shareholders approve the said reappointment by way of an Ordinary Resolution as set out in business item no. 1 and remuneration by way of a Special Resolution as set out in business item no. 2.

Except Mr. Satinder Singh Rekhi and Lt. Gen. Baldev Singh (Retd.) being the relative of Mr. Satinder Singh Rekhi, none of the Directors or Key Managerial Personnel of your Company or any of their relatives is concerned or interested, financially or otherwise, in the said Resolution, but to the extent of their shareholding in the Company.

Statement containing the prescribed information as required in terms of Section II Clause B of Part II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION

(1) Nature of Industry:

The Company is engaged in the business of providing software engineering, information technology related services and business process outsourcing services.

(2) Date or expected date of commencement of commercial production:

The Company is already in existence and is in operation since May 14, 1993.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(4) Financial performance based on given indicators:

Financial performance of the Company for last 3 years is as follows:

Particulars	(Rs. in million)		
	Financial Year ended		
	31.12.2017	31.12.2016	31.12.2015
Total Revenue	2,771.26	2,755.44	2,988.83

Particulars	Financial Year ended		
	31.12.2017	31.12.2016	31.12.2015
Profit before depreciation, exceptional items and tax	430.58	636.71	625.70
Less : Depreciation & amortisation	73.74	69.30	95.81
Add : Exceptional items*	-	46.35	648.07
Profit before tax	356.84	613.76	1,177.96
Less : Current tax (net of MAT credit)	127.34	209.82	262.82
Less : Deferred tax charge / (credit)	(9.33)	(8.20)	8.70
Profit after tax	238.83	412.14	906.44
Balance as per last financial statement	1,197.94	785.80	494.41
Add: Profit for the current year	238.83	412.14	906.44
Less: Appropriation			
Interim Dividend Paid	-	-	501.10
Tax on Interim Dividend	-	-	102.27
Adjustment on account of aligning the useful life of fixed asset in accordance with Schedule II of the Companies Act, 2013 (net of tax)	-	-	12.45
Proposed dividend written back on buy back (including CDT)	-	-	(0.77)
Total Appropriation	-	-	615.05
Net surplus in the statement of profit and loss	1,436.77	1,197.94	785.80

*** Exceptional Items**

(Rs. in million)

Particulars	For the year ended		
	31.12.2017	31.12.2016	31.12.2015
Profit on sale of investment	-	37.18	-
Profit on sale of undertaking	-	9.17	564.43
Profit on sale of subsidiaries	-	0.00	26.63
Deferred compensation payable written back	-	0.00	12.61
Provision for diminution in the value of investment written back	-	0.00	44.40
Total	-	46.35	648.07

(5) Foreign investments or collaborators, if any:

R Systems has investments from non-residents and foreign bodies corporate and R Systems has made investments outside India. As on date, R Systems has six subsidiaries which are incorporated and based outside India and one step down subsidiary incorporated and based in India. Out of the said six overseas subsidiaries, ECnet Limited, based in Singapore has six subsidiaries, Computaris International Limited, based in United Kingdom has seven subsidiaries and R Systems (Singapore) Pte Limited has one wholly owned subsidiary which further has six down subsidiaries. So, R Systems has in aggregate of twenty five subsidiaries incorporated outside India and one step down subsidiary incorporated and based in India.

(6) Export performance and net foreign exchange collaborations:

R Systems has investments from non-residents and foreign bodies corporate. Foreign exchange earnings and outgo of the Company for last 3 years is as follows:

(Rs. in million)

Particulars		Financial Year ended		
		31.12.2017	31.12.2016	31.12.2015
(a)	Earnings (Accrual Basis)	2,586.04	2,594.89	2,638.34
(b)	Expenditure (Accrual Basis)	343.98	356.32	423.67
(c)	CIF value of imports	26.68	66.53	39.73

II. INFORMATION ABOUT THE APPOINTEE

(1) Background details:

Mr. Satinder Singh Rekhi aged about 67 years founded R Systems in 1993. Mr. Rekhi is a technocrat with over 35 years of experience in the information technology industry. Prior to R Systems, Mr. Rekhi held senior management positions with HCL Technologies and DISC (now Synergex) in the United States, Singapore and India. Mr. Rekhi received a Bachelor of Technology from IIT, Kharagpur, India and a Masters in Business Administration from California State University, Sacramento. He has also attended several senior management programs from University of Berkeley and Harvard Business School. As Managing Director, Mr. Rekhi is responsible for overall business development and working of the Company.

(2) Past remuneration:

Income during the last 3 years

For the year ended	Total Cost to the Company (in Rs.)	Per Month (in Rs.)
December 31, 2017	33,838,497	2,819,875
December 31, 2016	37,027,495	3,085,625
December 31, 2015	32,046,605	2,670,550

(3) Recognition or awards:

Mr. Satinder Singh Rekhi was awarded with a Bachelor of Technology from IIT, Kharagpur, India and a Masters in Business Administration from California State University, Sacramento.

(4) Job profile and his suitability:

Mr. Satinder Singh Rekhi, being the Managing Director of the Company is entrusted with substantial powers of management in relation to the normal business matters. Mr. Rekhi is the founder of the Company and since then he is continuously providing his guidance and support on the Board. His presence is crucial for the effective and efficient operations of the business. R Systems will benefit from his capabilities.

(5) Remuneration proposed:

Following remuneration is proposed for Mr. Satinder Singh Rekhi, Managing Director of the Company:

1. Compensation: He will be paid at the rate of USD 400,000 (USD Four Lakhs only) per annum as base salary by the Company and/or its subsidiaries. This will be payable semi-monthly on the 15th of each month and again on the last day of the month. Applicable taxes will be deducted from his gross earnings;
2. Automobile: The Company will furnish him with an automobile including maintenance and fuel expenses, comparable to his position, while employed with the Company;
3. Health Insurance: He and his qualified dependents will be eligible to receive health insurance coverage through the Company or its subsidiaries insurance carriers. The terms, conditions and eligibility requirements for such insurance coverage are set forth in the summary plan description(s) describing the coverage;

4. Other benefits: He will be eligible to participate in the Company's or R Systems, Inc.'s retirement plans in accordance with the prevalent policies;
 5. Incentive: He will also be entitled for an annual incentive of 2% of the consolidated net profits subject to a maximum of USD 150,000 (USD One Lakh Fifty Thousand only);
 6. Annual increment up to 5% on base salary of the immediate previous year.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):
- The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparable qualification and experience in U.S.A.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:
- As on the date of this notice, Mr. Rekhi holds 1,640,352 equity shares (being 1.32% of the total paid up share capital) of the Company in his own name and 12,150,731 equity shares (being 09.80% of the total paid up share capital) of the Company as trustee of Satinder & Harpreet Rekhi Family Trust. Further, the offices of R Systems International Limited U.S.A. Branch and R Systems, Inc., a wholly owned subsidiary of R Systems based in United States of America is jointly owned by Mr. Satinder Singh Rekhi and his wife, Mrs. Harpreet Rekhi and the said office is obtained on lease from them on a monthly rental of USD 16,500.
- Except the proposed remuneration and as stated above, he does not have any pecuniary or other relationship with the Company and with any of the managerial personnel. Mr. Satinder Singh Rekhi is related to Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director of the Company.

III. OTHER INFORMATION

- (1) Profitability of R Systems:

Reasons for inadequate profits: The Company has made a reasonable profit during the last financial year ended on December 31, 2017. R Systems total income for the year ended on December 31, 2017 was Rs. 2,771.26 mn. as against Rs. 2,755.44 mn. during the same period in the previous year. Profit after tax for the year ended on December 31, 2017 was Rs. 238.83 mn. as against Rs. 412.14 mn. during the same period in the previous year.

- (2) Strategy for performance enhancement:

Steps taken or proposed to be taken for improvement: R Systems management process involves taking continuous steps to improve performance through growth in revenues, managing costs and improving productivity. The financial strategy involves maintaining a secure financial position, managing risks and ensuring accurate and timely reporting of performance.

- (3) Expected increase in productivity and profits in measurable terms:

Barring unforeseen circumstances, R Systems expects to close the current financial year with improved sales and profitability.

IV. DISCLOSURES

- (1) Remuneration package of the managerial person: Same is fully described in the respective Resolution and/or Explanatory Statement;
- (2) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' is to be attached to the Annual Report in respect of the:
 - (i) All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
 - (ii) Details of fixed component and performance linked incentives along with the performance criteria;
 - (iii) Service contracts, notice period, severance fees;
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The requisite details in respect of paragraph 2(i) to 2(iv) above in respect of all Directors have been given in the Corporate Governance Report attached to the Annual Report of the Company for the financial year ended December 31, 2017.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT REQUIRED UNDER REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of Director	Mr. Satinder Singh Rekhi
Date of Birth	January 08, 1951
Date of Appointment	May 14, 1993
Qualifications	Bachelors Degree in Technology from the prestigious IIT – Kharagpur, Masters in Business Administration from California State University, Sacramento. He has also attended several senior management programs from University of Berkeley and Harvard Business School.
Expertise in specific functional area	Mr. Rekhi is a technocrat with over 35 years of experience in the information technology industry. Prior to R Systems, Mr. Rekhi held senior management positions with HCL Technologies and DISC (now Synergex) in the United States, Singapore and India.
Directorship held in other Companies as on date	12
Membership/ Chairmanship in Committees of other companies as on date	Nil
Number of shares held in Company as on October 30, 2018	1,640,352 equity shares of Re 01/- per share.
Relationships between Directors inter-se	Mr. Satinder Singh Rekhi is related to Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director of the Company.