

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 thereof for the time being in force, that the following resolutions are proposed to be passed by way of Postal Ballot.

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

1. PAYMENT OF REMUNERATION TO 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 Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of the Central Government and other authorities, if required, consent of the members of R Systems International Limited (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 April 01, 2017 to December 31, 2018 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. 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. Bonus: He will also be entitled for an annual bonus of 2% of the consolidated net profits subject to a maximum of USD 150,000 (USD One Lakh Fifty Thousand only).

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 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. APPOINTMENT OF MRS. RUCHICA GUPTA (DIN: 06912329) AS AN INDEPENDENT DIRECTOR

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 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of

Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mrs. Ruchica Gupta (DIN:06912329), who was designated as Independent Director of the Company by the Board of Directors with effect from June 29, 2016 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (five) consecutive years commencing from June 29, 2016.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise and issue a letter of appointment to Mrs. Ruchica Gupta (DIN:06912329) and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable to give effect to this resolution.”

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

**Place : Noida
Date : July 29, 2016**

**Sd/-
Ashish Thakur
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, July 29, 2016 (“cut-off date”). The Persons who are members as on the said cut-off date are eligible for voting on the resolutions stated in this Notice.
4. 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.
5. Pursuant to the Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 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 signed an agreement with CDSL for facilitating such e-voting by the members. 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.
6. **The instructions for shareholders for e-voting are as under:**
 - (i) The e-voting period begins on Tuesday, August 09, 2016 at 10:00 a.m. and ends on Wednesday, September 07, 2016 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, July 29, 2016 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 onto 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) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Postal Ballot Form.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. There are two fields provided viz. D.O.B. and dividend bank details. Any one of details may be entered.
Dividend Bank Details [#]	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. [#] Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number as mentioned in instruction (v). Dividend Bank details, means Bank Account number which is recorded in the demat account.

- (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 onto 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) 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.

7. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. July 29, 2016.
8. Members are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent.
9. 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, September 09, 2016 at 3.00 P.M. at the Registered Office of the Company at B - 104A, Greater Kailash - I, New Delhi - 110 048 and the resolution will be taken as passed effectively on the date of announcement of the result by the Chairman or such other authorised person in his behalf, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the resolution. Members who wish to be present at the time of declaration of the result may be present at the venue.
10. In the event, the draft resolution is assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolutions at the General Meeting convened in this behalf.
11. 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 and will also be published in at least one English and one vernacular newspaper circulating in the state of Delhi.
12. 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 of the Company during working hours on all working days upto Wednesday, September 07, 2016.

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

ITEM NO. 01

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

Mr. Satinder Singh Rekhi aged about 65 years founded R Systems in 1993. Mr. Rekhi is a technocrat with over 33 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 now 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 the provisions of the Companies Act, 1956, the Central Government approved his remuneration for a period of three months i.e. from January 01, 2014 to March 31, 2014.

Further, shareholders by passing special resolution through Postal Ballot on December 16, 2014, approved the payment of remuneration of Mr. Rekhi for a period of three years commencing from April 01, 2014 to March 31, 2017 in accordance with the provision of the Companies Act, 2013. As the appointment of Mr. Rekhi as Managing Director is valid till December 31, 2018 and his remuneration is approved till March 31, 2017, it is necessary to get a fresh approval of his remuneration from shareholders and the Central Government, if required, for his remaining term as Managing Director of the Company i.e. from April 01, 2017 to December 31, 2018.

On the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 29, 2016 has approved the remuneration of Mr. Satinder Singh Rekhi as Managing Director for a period from April 01, 2017 to December 31, 2018 under the provisions of the Companies Act, 2013 and recommends the same for the approval of the shareholders by way of passing the special resolution as set out in the Notice.

As on the date of this notice, Mr. Rekhi holds 1,309,200 equity shares (being 1.03% of the total paid up share capital) of the Company in his own name and 13,018,980 equity shares (being 10.26 % 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 USD 16,500. Further, Mr. Rekhi is holding the office of director in the following eleven 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, RSYS Technologies Ltd. (Formerly known as Systèmes R. International Ltée), 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 payment of remuneration to 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 remuneration by way of a Special Resolution as set out in the Notice.

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 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

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:

(Rs. in lakhs)

Particulars	Financial Year ended		
	31.12.2015	31.12.2014	31.12.2013
Total income	29,888.33	30,456.54	27,397.20
Profit before depreciation, exceptional items and tax	6,257.00	6,850.12	5,892.95
Less : Depreciation & amortisation	958.12	672.41	478.08
Add : Exceptional items*	6,480.74	3,931.31	-
Profit before tax	11,779.62	10,109.02	5,414.87
Less : Current tax (net of MAT credit)	2,628.20	2,475.33	1,785.53
Less : Deferred tax	87.02	130.80	(25.88)
Profit after tax (A)	9,064.40	7,502.89	3,655.22
Balance as per last financial statement	4,944.12	6,338.33	6,097.02
Add: Profit for the current year	9,064.40	7,502.89	3,655.22
Less: Appropriation			
Proposed final dividend	-	1,210.86	1,203.22
Corporate dividend tax on Final Dividend	-	242.10	204.49
Adjustment for Previous Year Final Dividend	-	6.77	3.76
Corporate Dividend Tax for Previous Year Final Dividend	-	1.15	7.89
Interim Dividend Paid	5,011.02	6,243.32	1,392.39
Tax on Interim Dividend	1,022.66	1,192.90	236.64
Transfer to General Reserve	-	-	365.52
Adjustment on account of aligning the useful life of fixed asset in accordance with Schedule II of the Companies Act, 2013 (net of tax)	124.55	-	-
Proposed dividend written back on buy back (including CDT)	(7.73)	-	-
Total Appropriation	6,150.50	8,897.10	3,413.91
Net surplus in the statement of profit and loss	7,858.02	4,944.12	6,338.33

*** Exceptional Items**

(Rs. in lakhs)

Particulars	For the year ended		
	31.12.2015	31.12.2014	31.12.2013
Profit on buy back of subsidiary share	-	777.99	-
Profit on sale of undertaking	5,644.35	-	-
Profit on sale of subsidiaries	266.28	2,406.88	-
Deferred compensation payable written back	126.09	-	-
Provision for diminution in the value of investment written back	444.02	746.45	-
Total	6,480.74	3,931.32	-

(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 wholly owned 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 six subsidiaries and R Systems (Singapore) Pte. Ltd. has one wholly owned subsidiary which further has six down subsidiaries. So, R Systems has in aggregate of twenty four subsidiaries incorporated outside India and one wholly owned 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 lakhs)

Particulars		Financial Year ended		
		31.12.2015	31.12.2014	31.12.2013
(a)	Earnings (Accrual Basis)	26,383.38	30,870.99	24,548.78
(b)	Expenditure (Accrual Basis)	4,236.68	4,126.77	3,983.96
(c)	CIF value of imports	397.29	197.39	494.86

INFORMATION ABOUT THE APPOINTEE

(1) Background details:

Mr. Satinder Singh Rekhi aged about 65 years founded R Systems in 1993. Mr. Rekhi is a technocrat with over 33 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, 2015	32,046,605	2,670,550
December 31, 2014	30,133,078	2,511,090
December 31, 2013	25,292,405	2,107,700

(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. 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. Bonus: He will also be entitled for an annual bonus of 2% of the consolidated net profits subject to a maximum of USD 150,000 (USD One Lakh Fifty Thousand only).
- (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 1,309,200 equity shares (being 1.03% of the total paid up share capital) of the Company in his own name and 13,018,980 equity shares (being 10.26% 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 & Senior Executive Director of the Company.

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, 2015. R Systems total income decreased to Rs. 29,888.33 lakhs as against Rs. 30,456.54 lakhs during the same period in the previous year, a decline of 1.87%. Profit after tax including exceptional items for the year ended on December 31, 2015 was Rs. 9,064.40 lakhs as against Rs. 7,502.89 lakhs during the same period in the previous year, a growth of 20.81%.

(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 and excluding the impact of sale of Indus business unit in the year 2015, 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 are given in the Corporate Governance Report attached to the Annual Report of the Company for the financial year ended December 31, 2015.

ITEM No. 02

APPOINTMENT OF MRS. RUCHICA GUPTA (DIN: 06912329) AS AN INDEPENDENT DIRECTOR

Mrs. Ruchica Gupta (DIN:06912329) joined the Board of Directors of R Systems International Limited as an Additional Director with effect from July 07, 2014 pursuant to Section 161 of the Companies Act, 2013. Later, she was regularized at the twenty first Annual General Meeting of the Company as Non- Executive Director and was liable to retire by rotation.

Since, she satisfies the criteria of Independence pursuant to Section 149 of the Companies Act, 2013 and other relevant provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation, 2015"), she was re-designated as Non-Executive Independent Director in the Capacity of Independent Director subject to the approval of Shareholders w.e.f. June 29, 2016.

Mrs. Ruchica Gupta has given her consent for appointment as a Director of the Company and has confirmed that she is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. She has given a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 along with deposit of Rs.100,000/- (Rs. One Lakh only) signifying his intention to propose the candidature of Mrs. Ruchica Gupta for the office of Director.

The Nomination and Remuneration Committee of the Company has recommended the appointment of Mrs. Ruchica Gupta as Independent Director of the Company for a term of 5 (five) years commencing from June 29, 2016.

In the opinion of the Board of Directors, Mrs. Ruchica Gupta fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and she is independent of the Management.

A copy of the draft letter for the appointment of Mrs. Ruchica Gupta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to September 07, 2016.

The resolution seeks the approval of members for the appointment of Mrs. Ruchica Gupta as an Independent Director of the Company for 5 (five) consecutive years commencing from June 29, 2016 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and she shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives, except Mrs. Ruchica Gupta (DIN:06912329), being proposed appointee, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 2 for the approval of the members by way of ordinary resolution.

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	Mrs. Ruchica Gupta
Date of Birth	April 21, 1970
Date of Appointment	July 07, 2014
Qualifications	M. Phil - University of Delhi
Expertise in specific functional area	Mrs. Ruchica Gupta had been associated as a lecturer in University of Delhi for more than 15 years. She is a leading corporate trainer in the areas of Organization Development, Change Management, Leadership and Motivation.
Directorship held in other Companies as on date	Nil
Membership/ Chairmanship in Committees of other companies as on date	Nil
Number of shares held in Company as on July 29, 2016	Nil
Relationships between Directors inter-se	Nil