



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 resolution is proposed to be passed as Special Resolution by way of Postal Ballot.

The Resolution along with the Explanatory Statement setting out material facts is as follows:

1. TRANSFER OF INDUS BUSINESS UNIT TO R SYSTEMS PRODUCTS & TECHNOLOGIES LIMITED, A WHOLLY OWNED SUBSIDIARY OF R SYSTEMS INTERNATIONAL LIMITED ON SLUMP SALE BASIS

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 Section 180(1)(a) read with Section 188 and 110 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made thereunder (including any statutory modifications or re-enactment thereof), Memorandum and Articles of Association of the Company, Listing Agreement entered into with the Stock Exchanges, and any other law for the time being in force and subject to such other approvals, consents, permissions and sanctions as may be necessary of the appropriate authorities, departments, offices, institutions, bodies and agencies and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any, as may be stipulated by any authority while granting such approvals, consents, permissions and which may be agreed by the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall unless repugnant to the context or meaning thereof, be deemed to include a duly constituted committee thereof and any person authorized by the Board in this behalf) to transfer, sell, assign, deliver the whole or substantially the whole of Indus Business Unit of the Company carrying IT Products and services business out of Pune Offices i.e. S. No. 303/2/2, Bavdhan (BK), Mumbai-Bangalore Highway (Bypass), Pune – 411 021 and Survey No. 127/1B/1, Plot A-1, 5th Floor, Gopal House, Above Hotel Kimaya, Kothrud, Pune - 411 029 and Chennai Office i.e. Rayala Techno Park, 3rd Floor, 144/7 Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041 (hereinafter referred to as Indus Business Unit) comprising all its business including the related assets, employees, ongoing customers, suppliers and other partner relationships including verbal agreements and formal contracts, causes of action, engagements and work orders, purchase orders etc. with clients or customers, rights, liabilities / obligations of whatsoever nature and kind and wheresoever situated in whole or in part and all other assets and properties, tangible or intangible, not stated herein but related to Indus Business Unit as well as all its liabilities relating to the Indus Business Unit as a going concern, by way of slump sale, to a wholly owned subsidiary of R Systems International Limited i.e. **“R Systems Products & Technologies Limited”** with effect from such date and on such terms and conditions as may be agreed by the Board of Directors or a Committee of Directors to be appointed for the purpose and to finalise and execute necessary documents including agreements, deeds of assignment/conveyance and other documents and to do all such other acts, deeds, matters and things as may be deemed necessary and expedient in their discretion for segregating the said Indus Business Unit into a separate

wholly owned subsidiary named above, on slump sale basis and the consideration for the slump sale of Rs. 78.39 crores (Rupees Seventy Eight Crores and Thirty Nine Lacs Only) shall be discharged by the said wholly owned subsidiary i.e. R Systems Products & Technologies Limited by the issue of its equity/ debenture / loan and/or any other securities whether at par or at a premium or any other mode on the terms and conditions as may be agreed by the Board of Directors of the Company and R Systems Products & Technologies Limited, which is based on the Valuation Report of the Indus Business Unit dated July 24, 2014 issued by an independent valuer.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deed, matters and things, as may be required or deemed necessary or incidental thereto, including finalizing and varying the terms and conditions to sell, transfer, assign, convey and deliver or cause to be sold, assigned, transferred and delivered the Indus Business Unit and to finalize and execute, deliver and perform Memorandum of Understanding and such agreements, contracts, deeds, undertakings, and other documents, file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities, including Governmental authorities, and take all necessary steps in the matter as it may in its absolute discretion deem necessary, desirable or expedient to give effect to the above resolution, and to settle any question and difficulty that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution, to any Director(s) or to any Committee of Directors or any other Officer(s), Authorised Representative(s) of the Company and to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.”

By Order of the Board

For R Systems International Limited

Sd/-

**Place : Noida
Date : July 26, 2014**

**Vikash Kumar Tiwari
Company Secretary & Compliance Officer**

Notes:

1. An Explanatory Statement 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 is annexed hereto.
2. As the Company is seeking the consent of its members to the proposed resolution by means of postal ballot, a Postal Ballot Form for voting by members forms part of the notice.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members / Beneficiary Position maintained by the Depositories as on Friday, July 25, 2014.
4. The Company has appointed Mr. Sanjay Grover, Company Secretary in whole time practice (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 Clause 35B of the Listing Agreement and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company offers 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 through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.

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

(a) In case of members receiving e-mail :

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no. in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0’s before the folio number e.g. if your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field. • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is ‘RA00001234.
DOB#	<p>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.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • 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 number of shares held by you as on July 25, 2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name > (R Systems International Limited) on which you choose to vote.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(b) In case of members receiving the physical copy:

- (i) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
 - (ii) The voting period begins on August 20, 2014 at 10.00 A.M. and ends on September 18, 2014 at 6.00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 25, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (iii) 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. E-voting period starts from August 20, 2014 and ends on September 18, 2014. The e-voting module will be disabled after the business hours i.e. 6.00 P.M. on September 18, 2014 for voting by shareholders.
8. Members who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of MCA have also been sent Postal Ballot notice by e-mail apart from physical Postal Ballot Form accompanying the Notice. If any member wish to obtain duplicate Postal Ballot Form, he/she can obtain the duplicate Ballot Form from the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Near PVR Naraina, Phase-I, Naraina Industrial Area, New Delhi – 110 028 or from the Company at the Registered/Corporate office and fill in the details and send the same to the Scrutinizer by post.

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 Tuesday, September 23, 2014 at 4.00 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. The result will be submitted to the Stock Exchanges where shares of the Company are listed and will also be published in at least one English and one vernacular newspaper circulating in the state of Delhi. The result of the postal ballot will also be displayed along with the Scrutinizers' Report on website of the Company (www.rsystems.com).
11. 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 resolution at the General Meeting convened in this behalf.
12. 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.
13. All the material documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection by the members at the Registered Office of the Company during working hours on all working days upto September 18, 2014.

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

TRANSFER OF INDUS BUSINESS UNIT TO R SYSTEMS PRODUCTS & TECHNOLOGIES LIMITED, A WHOLLY OWNED SUBSIDIARY OF R SYSTEMS INTERNATIONAL LIMITED ON SLUMP SALE BASIS

R Systems International Limited ("the Company") is currently into IT services, IT products and BPO services businesses. Indus Business Unit undertakes IT Products and services business catered out of Pune and Chennai centres. The Board of Directors considers that to enhance its focus in the core services business and for better management and operation purposes, Indus Business Unit is to be segregated into a separate entity as Wholly Owned Subsidiary of the Company in order to pursue opportunities for the sale or divestment etc. of the Company's interest in the Indus Business Unit. Though the present transfer of the Indus Business Unit into a wholly owned subsidiary will reduce the standalone revenue of the Company but will currently have no impact on the consolidated financial results of the Company.

The transfer of Indus Business Unit shall be on a going concern and slump sale basis. The Indus Business Unit of the Company operated at Pune Offices i.e. S. No. 303/2/2, Bavdhan (BK), Mumbai-Bangalore Highway (Bypass), Pune – 411 021 and Survey No. 127/1B/1, Plot A-1, 5th Floor, Gopal House, Above Hotel Kimaya, Kothrud, Pune - 411 029 and Chennai Office i.e. Rayala Techno Park, 3rd Floor, 144/7 Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041 together with all its properties comprising all its business including the related assets, employees, ongoing customers, suppliers and other partner relationships including verbal agreements and formal contracts, causes of action, engagements and work orders, purchase orders etc. with clients or customers, rights, liabilities / obligations of whatsoever nature and kind and wheresoever situated in whole or in part and all other assets and properties, tangible or intangible, not stated herein but related to Indus Business Units as well as all its liabilities and obligations of whatsoever nature and kind and wheresoever situated as on such date as may be decided by the Board of Directors of the Company. Further all the employees related to Indus Business Unit shall be transferred to the Wholly Owned Subsidiary i.e. R Systems Products & Technologies Limited on the terms and conditions, which shall not be less favorable than those applicable to them immediately before the transfer.

The consideration for the slump sale of Rs. 78.39 crores (Rupees Seventy Eight Crores and Thirty Nine Lacs Only) shall be discharged by the said wholly owned subsidiary i.e. R Systems Products & Technologies Limited by the issue of its equity/ debenture / loan and/or any other securities whether at par or at a premium or any other mode on the terms and conditions as may be agreed by the Board of Directors of the Company and R Systems Products & Technologies Limited, which is based on the Valuation Report of the Indus Business Unit dated July 24, 2014 issued by an independent valuer .

Further, the present transfer on slump sale basis of Indus Business Unit is to R Systems Products & Technologies Limited i.e. a wholly owned subsidiary of R Systems International Limited and thus shall be a related party with respect to the R Systems International Limited as per section 2(76) of the Act.

In terms of Section 180(1) and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the consent of the Members is being sought through postal ballot for passing the Special Resolution as set out in the notice. Further, provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement which inter alia include the selling of otherwise disposing of property of any kind to the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up share capital of rupees ten crore or more, prior approval of the shareholders by way of a Special Resolution must be obtained. In view of the same, approval of members is sought for the above mentioned special resolution.

Information(s) pursuant to Section 188 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.

S.No.	Particulars
Name of Related Party	R Systems Products & Technologies Limited
Name of the director or key managerial personnel who is related, if any	Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director and Mr. Raj Swaminathan Director & Chief Operating Officer of R Systems International Limited are also Director on the Board of wholly owned subsidiary i.e. R Systems Products & Technologies Limited.
Nature of relationship	Related Party is a wholly owned subsidiary company of R Systems International Limited.
Nature, material terms, monetary value and particulars of the contract or arrangement	Transfer of Indus Business Unit as a going concern, to wholly owned subsidiary of R Systems International Limited i.e. “R Systems Products & Technologies Limited” on a slump sale basis for a consideration of Rs. 78.39 crores (Rupees Seventy Eight Crores and Thirty Nine Lacs Only) which is based on the Valuation Report of the Indus Business Unit dated July 24, 2014 issued by an independent valuer to be discharged by the said wholly owned subsidiary i.e. R Systems Products & Technologies Limited by the issue of its equity/ debenture / loan and/or any other securities whether at par or at a premium or any other mode on the terms and conditions as may be agreed by the Board of Directors of the Company and R Systems Products & Technologies Limited.

The sale / transfer of the Indus Business Unit shall be effective from such date as may be decided by the Board of Directors in this regard, subject to receipt of necessary approvals wherever applicable.

As explained above, in terms of Section 180(1) and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the consent of the Members is being sought through postal ballot for passing the Special Resolution as set out in the notice.

The Board of Directors recommends that the shareholders approve the said transfer of Indus Business Unit to R Systems Products & Technologies Limited, a wholly owned subsidiary of R Systems International Limited on a slump sale basis by way of passing the Special Resolution as set out in the Notice.

None of the Directors, key managerial personnel or their relatives are concerned or interested except to the extent of their shareholding in the Company and to the extent that Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director of the Company and Mr. Raj Swaminathan Director & Chief Operating Officer of the Company are also Director on the Board of wholly owned subsidiary i.e. R Systems Products & Technologies Limited. None of the Promoters, Directors, Key Managerial Personnel of the Company or their relatives holds beneficial interest in any shares of R Systems Products & Technologies Limited.

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

**Sd/-
Vikash Kumar Tiwari
Company Secretary & Compliance Officer**

Place : Noida

Date : July 26, 2014

Encl:

1. Postal Ballot Form
2. Postage pre-paid Business Reply Envelope

"GREEN INITIATIVE IN THE CORPORATE GOVERNANCE"

Dear Shareholder,

Ministry of Corporate Affairs (MCA), Government of India has taken a "Green Initiative in Corporate Governance" by allowing the service of documents like AGM/EGM notice, Annual Report and other correspondence by a Company to its Shareholders through electronic mode, after the Company gives an advance opportunity to its shareholders to register their email address and changes therein from time to time with the Company or with the concerned depository. Keeping this in view, your company proposes to send all communications henceforth to such shareholders in electronic mode, who opt for the same. In order to enable the Company to send all communications in electronic form, please register your email-IDs with us, if not already registered, by filling the particulars given below the dotted lines and return the same along with duly completed and signed postal ballot form in the enclosed self-addressed envelope. The shareholders holding shares in electronic mode are requested to get their email address registered/updated with their depository participant (DP) also, with whom they are maintaining their Demat Account. We solicit your co-operation in helping the Company to implement the "Green Initiative" of the Government.

We endeavor our best to serve you better.

Thanking you,
For R Systems International Limited

Sd/-
Vikash Kumar Tiwari
Company Secretary & Compliance Officer

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To,

The Company Secretary,
R Systems International Limited,
C-40, Sector 59,
NOIDA – 201 307, U.P.

Dear Sir,

I, the undersigned, being shareholder(s) of the Company with Ledger Folio / DP & Cl. ID.....do hereby request to the company to send all the communication / documents like AGM and other notice (s), financial statements, directors report, auditors report and other statutory communication permitted under the provisions of the Companies Act, 1956 and the Companies Act, 2013 to my email address mentioned herein below :

E-mail address for receiving official documents from the Company :.....

Signature:	Signature:	Signature:
Name: (1 st Holder) Folio No./DP ID/ Client ID Address & Contact No.	Name: (2 nd Joint Holder)	Name: (3 rd Joint Holder)