Caring - Innovating - Transforming

R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P., India – 201 307

Phones: +91-120-4303500
Fax: +91-120-2587123

Email : rsystems.india@rsystems.com
www.rsystems.com

Regd. Off.: B-104A, Greater Kailash-I,
New Delhi - 110 048

REF: SECT/04/2018/01 APRIL 02, 2018

To, The Managing Director **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol – RSYSTEMS	To, The General Manager **BSE Limited** Department of Corporate Services, Rotunda Building, 1st Floor, Mumbai Samachar Marg, Fort, Mumbai - 400 001 BSE Scrip Code - 532735

Dear Sir,

SUB: NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF R SYSTEMS INTERNATIONAL LIMITED

This is with reference to the regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Listing Agreement entered into by R Systems International Limited. We wish to apprise you that pursuant to the order of the Hon'ble National Company Law Tribunal ("NCLT"), New Delhi Bench dated March 08, 2018, a meeting of the Equity Shareholders of R Systems International Limited will be held at Air Force Auditorium, Near Army Hospital Research and Referral, Subroto Park, New Delhi 110010 on Saturday, May 05, 2018, at 10:00 A.M. for the purpose of considering and if thought fit, approving with or without modifications, the amalgamation proposed to be made between GM Solutions Private Limited ("Transferor Company") and R Systems International Limited ("Transferee Company") and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013 and rules made thereunder.

The Company is providing the e-voting facility to enable the shareholders to vote on the resolutions proposed in the aforesaid notice of the NCLT convened meeting of the equity shareholders. The Company has engaged Central Depository Services (India) Limited for the purpose of providing e-voting facility to all its shareholders. The e-voting facility can be availed by logging on to CDSL Website www.evotingindia.com.

E-voting in connection with the resolutions proposed in the aforesaid notice, will commence on Wednesday, April 04, 2018 at 10:00 AM and ends on Friday, May 04, 2018 at 5:00 P.M. The Company is also providing facility for voting by way of ballot papers at the meeting for the members attending the meeting who have not cast their vote by e-voting.

R SYSTEMS INTERNATIONAL LTD.

We are enclosing herewith the copy of the notice of the aforesaid meeting. The said notice is also available on the Company's website www.rsystems.com.

This is for your information and records.

Thanking you,

Yours faithfully,

For R Systems International Limited

Bhasker Dubey
(Company Secretary & Compliance Officer)

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 - 2587123
Website: www.rsystems.com; Email: investors@rsystems.com

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF R SYSTEMS INTERNATIONAL LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH

(Convened pursuant to order dated March 08, 2018 passed by the National Company Law Tribunal ("**NCLT**" or "**Tribunal**"), New Delhi)

Meeting of the Equity Shareholders of R Systems International Limited	
Day	Saturday
Date	May 05, 2018
Time	10:00 AM
Venue	Air Force Auditorium, Near Army Hospital Research and Referral, Subroto Park, New Delhi 110010
REMOTE E-VOTING	
Start Date: 10:00 A.M. on April 04, 2018	
End date: 05:00 P.M. on May 04, 2018	

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI BENCH

COMPANY APPLICATION NO.CA (CAA)-25(PB)/2018

In the Matter of the Companies Act, 2013

And

In the Matter of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016

And

In the matter of Scheme of Amalgamation between

GM Solutions Private Limited

B-104 A, Greater Kailash Part-1, New Delhi - 110048

CIN: U72900DL2000PTC108233 Applicant Company I

And

R Systems International Limited

B-104 A, Greater Kailash Part-1, New Delhi - 110048

CIN: L74899DL1993PLC053579 Applicant Company II

And

Their respective shareholders and creditors

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF R SYSTEMS INTERNATIONAL LIMITED

Notice is hereby given that by an order dated March 08, 2018, New Delhi Bench of the National Company Law Tribunal has directed that a meeting to be held of the Equity Shareholders of R Systems International Limited for the purpose of considering and if thought fit, approving with or without modifications, the amalgamation proposed to be made between GM Solutions Private Limited ("**Transferor Company**" or "**Applicant Company I**" or "**GM Solutions**") and R Systems International Limited ("**Transferee Company**" or "**Applicant Company II**" or "**R Systems**") and their respective shareholders and creditors as aforesaid.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of R Systems International Limited will be held at **Air Force Auditorium, Near Army Hospital Research and Referral, Subroto Park, New Delhi 110010 on Saturday, May 05, 2018, at 10:00 A.M.**, at which date, time and place the said Equity Shareholders are requested to attend to consider, and if thought fit, to approve, with or without modification(s), the following resolution with requisite majority:

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, including rules provided therein, or including any statutory modification or re-enactments thereof for the time being in force, and subject to the relevant provisions of the Memorandum & Articles of Association of the Company and subject to the sanction by the National Company Law Tribunal, New Delhi ("NCLT"), as the case may be and in accordance with the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India or any other relevant authority from time to time to the extent applicable and subject to such approvals, consents, permissions and sanctions of the appropriate authorities as may be necessary/required and subject to such conditions as may be prescribed, directed or made by any of them while granting such approvals, consents and permissions, the consent of the shareholders be and is hereby accorded for the amalgamation between GM Solutions Private Limited and R Systems International Limited and their respective shareholders and creditors through NCLT approved Scheme.

RESOLVED FURTHER THAT the Board or any member of Restructuring Committee, as constituted by the Board, be and are hereby jointly/severally authorized to sign, verify, execute and file any documents, including but not limited to affidavits, petitions, pleadings, applications, certificates, declarations, undertakings, vakalatnamas, proceedings, or any other documents incidental or necessary for making effective the aforesaid Scheme."

TAKE FURTHER NOTICE that you may attend and vote at the meeting in person / authorized representative or by proxy, provided that all authorization letter / proxies in the prescribed form are deposited at the registered office of the Applicant Company II i.e. **B104A, Greater Kailash, Part – I, New Delhi 110048 ("Registered Office") not later than 48 hours before the meeting.**

Proxy Form is enclosed herewith and can be obtained free of charge on any day (except Saturday, Sunday and public holidays at the Registered Office and at the Corporate Office i.e. C-40, Sector 59, Noida, U.P. 201307 ("**Corporate Office**"), of the Applicant Company II and/or from the office of its advocates, Mr. Abhishek Nahta, R-46 Lower Ground Floor, Greater Kailash-I, New Delhi-110048 ("**Lawyer's Office**").

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 of the Companies Act, 2013; (ii) Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated March10, 2017, issued by the Securities and Exchange Board of India (referred to as **"SEBI Circular"**), the Company has provided the facility of voting through e-voting so as to enable the equity shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Company to the Scheme shall be carried out through e-voting system and by ballot paper at the venue of the meeting to be held on **May 05, 2018** at 10:00 A.M.

TAKE FURTHER NOTICE that The Tribunal has appointed Ms. Ranjana Roy Gowai as the Chairperson, failing her, Ms. Misha as the Alternate Chairperson for the said meeting of the Equity Shareholders.

The abovementioned Scheme, if approved at the meeting, will be subject to the subsequent approval of the Tribunal.

This notice convening the Meeting alongwith the requisite documents is placed on the website of the Company viz. www.rsystems.com and is being sent to Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited.

Copies of the said Scheme of Amalgamation and of the statement under sections 230 to 232 and section 102 of the Companies Act, 2013 can be obtained free of charge on any day (except Saturday, Sunday and public holidays) at the Registered Office of the Company and at the Corporate Office or at the Lawyer's Office.

Dated this 22nd March 2018

Sd/-

Ms. Ranjana Roy Gowai

Chairperson appointed for the meeting

Notes:

1. **AN EQUITY SHAREHOLDER OF APPLICANT COMPANY II ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES SO APPOINTED NEED NOT BE AN EQUITY SHAREHOLDER OF THE APPLICANT COMPANY II. THE FORM OF PROXY DULY COMPLETED AND SIGNED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY II NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE AFORESAID MEETING.**

2. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of Equity Shareholders not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Applicant Company II carrying voting rights. Further, equity shareholders holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. All alterations made in the Form of Proxy should be signed/ initialed.

4. A Form of Proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:

    a. it is signed by the Equity Shareholder(s) or by his/her attorney duly authorized in writing or, in the case of joint holders, it is signed by the Equity Shareholder first named in the Register of Members or his/her attorney duly authorized in writing or, in the case of body corporate, it is executed under its seal, or signed by its attorney duly authorized in writing; provided that an instrument of proxy shall be sufficiently signed by any equity shareholders, who for any reason is unable to write, if his/her thumb impression is affixed thereto, and attested by a Judge, Magistrate, Registrar or Sub-Registrar of Assurances or other government Gazetted Officers or any officer of a Nationalized Bank.

    b. it is duly filled, stamped, signed and deposited at the registered office of the Applicant Company II not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company/Registrar & Share Transfer Agent.

5. A body corporate may attend and vote through its authorized representative provided a certified copy of the resolution of its Board of Directors or other governing body authorizing such representative to attend and vote at the meeting is deposited with the Company.

6. In case of persons other than individuals, the Proxy should be executed under the official stamp of the organization indicating the name and designation of the person executing the Proxy.

7. Foreign Institutional Investors are required to deposit certified copies of Custodial resolutions / Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on their behalf.

8. The persons attending the meeting are advised to bring their photo identity document for verification.

9. The person attending the meeting must bring the duly filled-in attendance slip annexed hereto.

10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

11. Members are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company II in respect of such joint holding will be entitled to vote.

12. The material documents referred to in the accompanying Explanatory Statement shall be opened for inspection by the Equity Shareholders at the Registered Office, the Corporate Office of the Applicant Company II and at the Lawyers Office, up to one day prior to the date of the Meeting between 10:00 A.M to 5:00 P.M on all working days (except Saturdays, Sundays and public holidays).

13. The Notice has been sent to all the members by permitted mode and also through electronic mode to those members whose e-mail addresses are registered with the Depository or the Company's RTA. The Notice, will be sent to those members/beneficial owners whose name will appear in the Register of Members/list of beneficiaries received from the depositories as on Friday, March 23, 2018. A person who is not a member as on Cut-off date i.e. Friday, March 23, 2018 shall treat this notice for information purposes only.

14. The Route Map of the Venue for the Meeting of the Applicant Company II is annexed hereto and forms part of this Notice.

15. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Applicant Company II is pleased to offer E-Voting facility as a mode of voting for its Members, to enable them to cast their votes electronically. For this purpose, necessary arrangements have been made with Central Depository Services (India) Limited ("**CDSL**") to facilitate e-voting.

INSTRUCTIONS FOR REMOTE E-VOTING

i. The facility for voting through ballot paper shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their vote at the meeting through ballot paper.
ii. The members who have cast their vote by remote e-voting prior to the meeting may also attend the Tribunal convened meeting but shall not be entitled to vote again.
iii. The voting period begins on Wednesday, April 04, 2018 at 10:00 AM and ends on Friday, May 04, 2018 at 5:00 P.M. During this period shareholders' of the Applicant Company II, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of March 23, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
iv. The equity shareholders should log on to the e-voting website www.evotingindia.com

v. Click on Shareholders.

vi. 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.

vii. Next enter the Image Verification as displayed and Click on Login.

viii. 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.

ix. 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 Applicant Company II/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)	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. • 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 (vi)

x. After entering these details appropriately, click on "SUBMIT" tab.

xi. 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 remote 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.

xii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xiii. Click on the EVSN (180322003) for R Systems International Limited to vote.

xiv. 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.

xv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details

xvi. 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.

xvii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xviii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xix. If demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xx. Note for Non – Individual Shareholders and Custodians

a. 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.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. 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.

d. 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.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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.

16. The voting rights of the shareholders shall be in proportion to their fully paid shares hold by them as on the cut-off date i.e. March 23, 2018.

17. NCLT has appointed Mr. Vivek Goel as a Scrutinizer for the purposes of scrutinizing the remote e-voting and voting through ballot paper.

18. The Scrutinizer appointed for Voting Process (i.e. voting through Ballot Paper at the meeting and remote e-voting), will submit his report to the Chairman of the meeting upon completion of scrutiny, in a fair and transparent manner, of voting not later than forty eight hours from the conclusion of the meeting. The Chairman shall announce the results of Voting at the Registered Office of the Company. The result will also be posted on the Applicant Company II's website, CDSL website, besides communicating the same to the BSE Limited and National Stock Exchange of India Limited.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI BENCH

COMPANY APPLICATION NO. CA(CAA)-25(PB)/2018

In the matter of Scheme of Amalgamation between GM Solutions Private Limited and R Systems International Limited and their respective shareholders and creditors

GM Solutions Private Limited

B-104 A, Greater Kailash Part-1, New Delhi - 110048

CIN: U72900DL2000PTC108233 Applicant Company I

R Systems International Limited

B-104 A, Greater Kailash Part-1, New Delhi - 110048

CIN: L74899DL1993PLC053579 Applicant Company II

Explanatory Statement under Sections 230 to 232 and 102 of the Companies Act, 2013 Read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. Pursuant to Order dated March 08, 2018 passed by the Hon'ble National Company Law Tribunal at New Delhi Bench, in Company Application No. CA(CAA)-25(PB)/2018 filed by R Systems International Limited, a meeting of the Equity Shareholders of R Systems International Limited, is being convened and to be held at Air Force Auditorium, Near Army Hospital Research and Referral, Subroto Park, New Delhi 110010 on May 05, 2018, at 10:00 A.M., for the purpose of considering and if thought fit, approving, with or without modification(s), the amalgamation embodied in the proposed Scheme of Amalgamation between GM Solutions Private Limited ("**Transferor Company**" or "**Applicant Company I**" or "**GM Solutions**") and R Systems International Limited ("**Transferee Company**" or "**Applicant Company II**" or "**R Systems**") and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**" or "**Scheme of Amalgamation**").

2. This statement is being furnished as required under Sections 230 - 232 of the Companies Act, 2013 (the "Act"), read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3. The Scheme envisages the amalgamation between GM Solutions and R Systems pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

4. A copy of the Scheme, which has been approved unanimously by the Board of Directors of the Applicant Company I &II at their Meeting, held on September 22, 2017 is attached as **Annexure - I**.

5. Particulars of the GM Solutions

5.1. GM Solutions Private Limited (i.e. Applicant Company I)

(a) GM Solutions Private Limited (hereinafter referred to as "GM Solutions" or "Applicant Company I") was incorporated on October 19, 2000 under the Companies Act, 1956, having its registered office at B-104 A, Greater Kailash Part-I, New Delhi – 110048. The Applicant Company I is a Private Limited Company having Corporate Identity Number U72900DL2000PTC108233, the e-mail id is GMSolutionspvtltd@gmail.com and the Permanent Account Number of the Company is AABCG8246Q.

(b) GM Solutions forms part of the promoter group of R Systems. It presently holds 29,746,353 equity shares constituting about 24% of total paid-up equity share capital of R Systems.

The main objects of the Applicant Company I as per the Memorandum of Association is as follows:

- To engage in the business of trading, import, export through internet and through chain management system and to do the business in e-commerce, e-trading, e-procurement and disposal and to set up e-exchange for trading and exchange of various items.

- To provide internet based learning and training in all allied areas of business education, management and industry mainly for the international market.

- To initiate, undertake carry on, engage, promote, assist, encourage and conduct research developments, experiments, studies, project analysis, examination, surveys and test of all kinds related to computers, electronic data processing equipments software, hardware and programmes / solutions of all kinds.

- To assist the matter recruitment placement of personnel and give guidance in the assessment of the personnel and on behalf of any person, firm, company or institutions Corporation or government bodies within India and abroad.

- To carry on the business of consultants, system integration network integrators, system developers, software developers, research on management skills and other allied activities.

- To provide consultancy and running computer bureau, technical manpower services, education services, providing training services, establishing training institutes, appointing franchises, take agency and franchise of all kinds of software and other computer related activities in India and abroad.

- To carry on the business of formulating developing, improving, designing, marketing, selling franchising, exporting and licensing software and programme products of any and all description.

- To act as consultants, developers of software, hardware and advisors in providing information systems and information technology solutions based on the use of computers, networking equipment and allied peripherals, intelligent networks using a combination of either or all the technologies for networking such as LAN's (Local Area Network) terrestrial lines, radio and satellite based networks.

- To carry on the business at any place in India or elsewhere in the world, assembling, marketing, operating altering, converting processing, importing, designing, buying, selling, exporting, transferring, installing, servicing, exchanging or otherwise dealing in all types of computers software, tabulator data processing, machines, computers, peripherals, word processing machines, calculators, computerized system telecommunication, network systems, transmission system converting all media such as fibre copper wireless satellite and other computer based systems and instruments and their compounds, devices and spare parts.

- To carry on the business of maintenance, repair and reconditioning of all types of software and hardware computers, networks, equipments and computers all types whether software or hardware.

- To offer integrated services in the field of electronic, tele-communication such as integrated digital network, VOIP networks, private networks, internet, Extracts and internet based solutions.

- To act as internet as a channel service providing such as web hosting, web designing, web marketing, internet training and internet solution.

(c) There has been no further change in the name, object and the registered office address of the Applicant Company I in the last five (5) years.

(d) The Share Capital of Applicant Company I as on December 31, 2017 is as under:

Particulars	Amount in Rs.
Authorised Capital	
600,000 Equity Shares of Rs. 10/- each	6,000,000
Total Authorised Capital	**6,000,000**
Issued, Subscribed and Paid-up Capital	
584,730 Equity Shares of Rs.10/- each fully paid up	5,847,300
Total Issued, Subscribed and Paid-up Capital	**5,847,300**

(e) The list of Directors of the Applicant Company I as on December 31, 2017:

S.No.	Name	Address	DIN No.	Date of Appointment
1.	Sartaj Singh Rekhi	2051, Last Chance Court, Gold River, California 95670 (USA)	0732606	22/08/2006
2.	Ramneet Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)	00732301	29/09/2006
3.	Kuldeep Baldev Singh	A – 8, Sector - 23 Noida (U.P.)- 201301 (India)	02393948	01/10/2008
4.	Anita Behl	1704, Sector-29, Noida (U.P.) – 201301 (India)	01603183	04/08/2009

(f) List of promoters of Applicant Company I is as follows:-

S. No.	Name	Address
1.	Satinder Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
2.	Harpreet Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
3.	Sartaj Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
4.	Ramneet Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
5.	Amrita Rekhi	2051, Last Chance Court Gold River California 95670 (USA)

6. Particulars of R Systems

6.1. R Systems International Limited (i.e. Applicant Company II)

(a) R Systems International Limited (hereinafter referred to as "R Systems" or "Applicant Company II") was incorporated on May 14, 1993 under the Companies Act, 1956, having its registered office at B-104 A, Greater Kailash Part-1, New Delhi – 110048. The Applicant Company II is a public Limited Company having Corporate Identity Number L74899DL1993PLC053579. The e-mail id is investors@rsystems.com and the Permanent Account Number of the Applicant Company-II is AABCR9541B. The website of the Applicant Company-II is www.rsystems.com.

(b) R Systems is primarily a Software Technology Company engaged in providing IT Services & Solutions and IT-enabled Services. The summary of the main objects of the Applicant Company II as per the Memorandum of Association is as follows:

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

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

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

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

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

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

- To provide consultancy services in India and abroad on preparation of project report, computer systems, software, media, peripherals and allied items, computer personnel and on computerisation in general.

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

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

- To carry on the business of providing and running services relating to Multimedia networks, Telecommunication networks, cable networks and internet services.

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

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

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

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

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

(c) There has been no further change in the name, object and the registered office address of the Applicant Company II in the last five (5) years.

(d) It may be noted that the Applicant Company II is a listed public Company and its securities are listed on BSE Limited and National Stock Exchange of India Limited.

(e) The Share Capital of Applicant Company II as on December 31, 2017, is as under:

Particulars	Amount in Rs.
Authorised Capital	
200,000,000 Equity Shares of Re. 1/- each	200,000,000
Total Authorised Capital	**200,000,000**
Issued, Subscribed and Paid-up Capital	
123,952,925 Equity Shares of Re.1/- each fully paid up	123,952,925
Total Issued, Subscribed and Paid-up Capital	**123,952,925**

(f) The list of Directors of the Applicant Company II as on December 31, 2017:

S.No.	Name	Address	DIN No.	Date of Appointment
1.	Satinder Singh Rekhi	2051, Last Chance Court, Gold River, California 95670 (USA)	00006955	14/05/1993
2.	Baldev Singh	A-8, Sector -23, Noida (UP) – 201301 (India)	00006966	01/09/1997
3.	Avirag Jain	B-27, Lohia Nagar, Ghaziabad, Uttar Pradesh - 201001(India)	00004801	03/08/2017
4.	Ruchica Gupta	D-55/C Hauz Khas, New Delhi – 110016 (India)	06912329	07/07/2014
5.	Kapil Dhameja	207 Vaishali, Pitampura Delhi-110034 (India)	02889310	29/06/2016
6.	Aditya Wadhwa	D 1092, New Friends Colony, Delhi 110065 (India)	07556408	29/06/2016

(g) The list of Promoters and Promoter Group of the Applicant Company II as on December 31, 2017 is as under:

S.No.	Name	Address
1.	Satinder Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
2.	Harpreet Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
3.	Satinder & Harpreet Rekhi Family Trust	2051, Last Chance Court Gold River California 95670 (USA)
4.	RightMatch Holdings Limited	IFS Court, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Mauritius
5.	GM Solutions Private Limited	B-104 A, Greater Kailalsh Part-1 New Delhi 110048 (India)
6.	Sartaj Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
7.	Ramneet Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
8.	Kuldeep Baldev Singh	A – 8, Sector - 23 Noida (U.P.)- 201301 (India)
9.	Anita Behl	1704, Sector-29, Noida (U.P.) – 201301 (India)

(h) Pursuant to SEBI Circular and the SEBI LODR Regulations, the detailed pre scheme and post scheme (expected) capital structure and shareholding pattern of the Applicant Company II is given herein below:

Category of Shareholder	No. of Shares held		Total Shareholding as a % of total no. of Shares	
	Pre-Merger	Post-Merger (indicative)	Pre-Merger	Post-Merger (indicative)
Promoter and Promoter Group				
Individuals / Hindu Undivided Family	12,113,732	41,860,085	9.77	33.77
Bodies Corporate	38,822,571	9,076,218	31.32	7.32
Trusts	12,150,731	12,150,731	9.80	9.80
Total (A)	**63,087,034**	**63,087,034**	**50.90**	**50.90**
Public				
Institutions (Foreign Portfolio Investor/Financial Institutions / Banks)	6,779	6,779	0.01	0.01
Bodies Corporate	1,132,000	1,132,000	0.91	0.91
Public (Individuals, HUF)	58,620,889	58,620,889	47.29	47.29
Others (Clearing Member/Trust/IEPF)	1,106,223	1,106,223	0.89	0.89
Total (B)	**60,865,891**	**60,865,891**	**49.10**	**49.10**
Total Share Capital (A+B)	**123,952,925**	**123,952,925**	**100.00**	**100.0**

7. Submissions, Approvals and Other Information:

(a) **Summary of Valuation Report of a registered valuer including basis of Valuation and the Fairness Opinion:**

The Board of Directors of the Applicant Companies at their Meeting held on September 22, 2017 have approved the Valuation Report dated September 20, 2017 issued by CA Praveen Kumar Verma. The Valuation Report is attached as **Annexure II**. The Fairness Opinion dated September 21, 2017 has been issued by Corporate Professionals Capital Private Limited. The Fairness Opinion is attached as **Annexure III**.

(b) As required by the SEBI Circular, the Applicant Company II has filed the Complaints Report (indicating NIL complaint) with BSE Limited on November 2, 2017 and National Stock Exchange of India Limited on October 23, 2017. After filing of the Complaints Report, the Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith as **Annexure-IV**.

(c) Pursuant to the Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India ("**SEBI Circular**") read with Regulation 37 of SEBI Listing Obligations and Disclosure Requirements, the Applicant Company II had filed necessary applications before the BSE Limited and National Stock Exchange of India Limited seeking its No-Objection to the Scheme. It received Observation Letter dated December 28, 2017 from BSE Limited and dated December 28, 2017 from National Stock

Exchange of India Limited. Copy of the aforesaid Observation Letters are enclosed herewith as **Annexure-V**.

(d) As per the terms of Observation Letter, SEBI has given no adverse objection to the Scheme and has advised the Applicant Company II to comply with the provisions of the SEBI Circular.

(e) Copy of report of Board of Directors of R Systems International Limited as per provisions of Section 232(2)(c) of the Companies Act, 2013 is enclosed herewith as **Annexure VI**.

(f) Copy of supplementary standalone financial statements of R Systems International Limited (audited) and GM Solutions Private Limited (unaudited) as at December 31, 2017 are attached as **Annexure VII**.

8. The amount due by the Applicant Company II to its Unsecured Creditors as on December 31, 2017 was INR 30,125,297 (Rupees Three Crores One Lakh Twenty Five Thousand Two Hundred and Ninety Seven only) and to its Secured Creditors as on December 31, 2017 was INR 9,631,798 (Rupees Ninety Six Lakhs Thirty One Thousand Seven Hundred and Ninety Eight only). Applicant Company I did not have any Creditors as on December 31, 2017.

9. The proposed Scheme does not contemplate any corporate debt restructuring exercise.

10. Key extract of Scheme of Amalgamation and relationship between Applicant Company I and Applicant Company II.

The Scheme provides, inter alia, for:

(a) The Scheme envisages amalgamation of GM Solutions and R Systems pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

(b) **"Appointed Date"** means 01 January 2018 or such other date as may be fixed or approved by NCLT of judicature at Delhi, or such other competent authority, as may be applicable.

(c) **"Effective Date"** means the date on which certified copy(ies) of the Order of NCLT or any other Appropriate Authority sanctioning this Scheme are filed with the Registrar of Companies, NCT of Delhi and Haryana as required under the provisions of the Act;

(d) **Clause 5 of the Scheme – Consideration**

5.1 Upon this Scheme becoming effective and upon amalgamation of Amalgamating Company with Amalgamated Company, in terms of this Scheme Amalgamated Company shall, without any further application, act or deed, issue and allot Equity Shares in dematerialized form to the members of Amalgamating Company whose names appear in the Register of its members on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as **New Equity Shares):-**

"2,97,46,353 (Two Crore Ninety Seven Lakhs Forty Six Thousand Three Hundred and Fifty Three Only) fully paid up equity shares of the face value of Re. 1/- (Rupee One) of R Systems International Limited to be issued and allotted to the Equity Shareholders of GM Solutions Private Limited in the proportion of their respective equity shareholding in GM Solutions Private Limited"

5.2 The fractional entitlement, if any, to which shareholders of the Amalgamating Company may become entitled to upon issue of New Equity Shares pursuant to Clause 5.1 above would be rounded off by the Amalgamated Company to the nearest integer. However, in no event, the number of New Equity Shares to be allotted by the Amalgamated Company to the shareholders of the Amalgamating Company shall exceed the total number of equity shares held by the Amalgamating Company in the Amalgamated Company.

5.4 Upon new equity shares being issued and allotted by the Amalgamated Company to the shareholders of the Amalgamating Company, in accordance with Clause 5.1,above the investment held by the Amalgamating Company in the share capital of the Amalgamated Company shall, without any further application, act, instrument or deed stand cancelled. The shares of Amalgamated Company held by the Amalgamating Company in dematerialized form shall be extinguished, on and from such issue and allotment of New Equity Shares.

(e) **Rationale for the Scheme of Amalgamation**

- This amalgamation would not only lead to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the Promoter's direct commitment to and engagement with R Systems. It would also result in overall reduction in administrative, managerial and other expenditure and operational rationalization, organizational efficiency and optimum utilization of various resources.

- There would be no change in the Promoter shareholding of R Systems. The promoters would continue to hold the same percentage of shares in R Systems, pre and post the amalgamation of GM Solutions into R Systems.

- All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by GM Solutions and / or its members. No cost, charges, taxes pertaining to the Scheme shall be borne by R Systems.

- Further, the Scheme also provides that Promoters shall indemnify R Systems and keep R Systems indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings etc. which may be made or instituted by any third party(ies) including governmental authorities on R Systems and are directly relatable to GM Solutions or which may devolve on R Systems on account of this amalgamation.

(f) **Clause 22 of the Scheme –Conditionality of the Scheme**

The Scheme is and shall be conditional upon and subject to:-

- 22.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of the Amalgamating Company and the Amalgamated Company, as prescribed under the Act and / or as may be directed by the NCLT and / or any other Appropriate Authority as may be applicable.

- 22.2 The sanction of this Scheme by the NCLT and / or any other Appropriate Authority under Sections 230 to 232 and other applicable provisions, if any of the Act in favor of the Amalgamating Company and the Amalgamated Company.

- 22.3 Certified or authenticated copy of the order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi by the Amalgamating Company and the Amalgamated Company.

- 22.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

The features set out above being only the salient features of the Scheme of Amalgamation, the Equity Shareholders of R Systems International Limited are requested to read the entire text of the Scheme of Amalgamation to get themselves fully acquainted with the provisions thereof.

(g) **Relationship between the parties**

GM Solutions forms part of the promoter group of R Systems. It presently holds 29,746,353 equity shares constituting about 24% of total paid-up equity share capital of R Systems.

11. The Board of Directors of the Amalgamating Company and the Amalgamated Company have decided to amalgamate the Amalgamating Company together with its business and undertakings, with the Amalgamated Company, so as to achieve benefits as set out in 'Rationale of the Scheme of Amalgamation' that forms part of the proposed Scheme of Amalgamation annexed.

12. The Scheme does not have a prejudicial effect on the key managerial personnel, directors, promoters, non-promoter members, creditors, employees of the Applicant Company II, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

13. None of the Directors, Promoters, Key Managerial Personnel, their relatives, Creditors and Employees of the Applicant Company II respectively have any material interest, financial or otherwise, in the Scheme, save to the extent of shares held by them in the Applicant Company II, if any.

14. No investigation proceedings have been instituted or are pending in relation to the Applicant Company II under the Companies Act, 2013.

15. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the Equity Shareholders of the Applicant Company II, present in the meeting of Equity Shareholders and voting in person, or through e-voting or authorized representative or by proxy, agree to the Scheme. A proxy form is enclosed.

16. The scheme shall be acted upon if the votes cast by public Shareholders in favor of the proposal are more than the number of votes cast by public Shareholders against it, in accordance with the SEBI circular no.CFD/DIL3/CIR/2017/21 issued on March 10, 2017 subject to modification, if any, in accordance with any subsequent circulars and amendment that may be issued by SEBI from time to time;

17. On the Scheme being approved by the requisite majority of the Shareholders, the Applicant Company II shall file a petition with the NCLT, New Delhi for sanction of the Scheme under Sections 230 to 232 and other applicable provisions of the Act.

18. As per Companies (Compromises, Arrangements and Amalgamation) Rules , 2016, the following documents are available for inspection by the Equity Shareholders of Applicant Company II at the Registered Office and Corporate Office of the Applicant Company II and at the Lawyer's Office, up to one day prior to the date of the Meeting between 10:00 A.M to 5:00 P.M on all working days (except Saturdays, Sundays and public holidays):

(i) Annual Report of R Systems for year ending December 31, 2016.

(ii) Copy of supplementary standalone financial statements of R Systems International Limited and GM Solutions Private Limited as at December 31, 2017

(iii) Copy of the Order of the NCLT, New Delhi dated March 08, 2018, passed in Company Application No. CA(CAA)-25(PB)/2018 directing the convening of the meeting of the Equity Shareholders of R Systems International Limited.

(iv) Scheme of Amalgamation between GM Solutions Private Limited and R Systems International Limited and their respective shareholders and creditors.

(v) Valuation Report from CA Praveen Kumar Verma dated September 20, 2017

(vi) Fairness opinion from Corporate Professionals Capital Private Limited dated September 21, 2017

(vii) Certificate issued by the Auditor of the Applicant Company-II to the effect that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

19. It is further provided that there are no other contracts or agreements that are material to the proposed Scheme.

20. It is confirmed that the copy of the Scheme, as approved by Board, has been filed with the Registrar of Companies, New Delhi and Haryana by the Applicant Company II, respectively on 21 March 2018.

21. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.

22. No other approvals from regulators or governmental authorities are required at this stage nor any have been received or are pending in respect of the proposed Scheme.

23. In view of the information provided hereinabove and the documents attached along with this Notice and Explanatory statement, the requirement of Sections 230 to 232 and 102 of the Companies Act, 2013 and rules made there under have been complied with.

24. A copy of this Scheme, Notice, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays, Sundays and Public Holidays) prior to the date of the Meeting, from the Registered Office, Corporate Office of the Applicant Company II and Lawyer's Office.

Sd/-

Ms. Ranjana Roy Gowai

Chairperson appointed for the meeting

Place: New Delhi
Dated: 22nd March 2018

Registered Office: B104A, Greater Kailash, Part – I, New Delhi 110048

Annexure-I

SCHEME OF AMALGAMATION

BETWEEN

GM SOLUTIONS PRIVATE LIMITED

AND

R SYSTEMS INTERNATIONAL LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

(A) BACKGROUND AND DESCRIPTION OF COMPANIES WHO ARE PARTIES TO THE SCHEME

1. **GM Solutions Private Limited** (hereinafter called '**GM Solutions**'), is a company incorporated on 19 October 2000 under the Companies Act, 1956 and has its registered office at B-104 A, Greater Kailash-1, New Delhi - 110048. The e-mail id is GMSolutionspvtltd@gmail.com.

   GM Solutions holds shares of R Systems International Limited and is not listed on any stock exchange. The entire share capital and management control of GM Solutions is with the promoters and promoter group (and their relative) of R Systems International Limited.

   The Corporate Identity Number of GM Solutions is U72900DL2000PTC108233. Further, the Permanent Account Number of GM Solutions is AABCG8246Q.

2. **R Systems International Limited** (hereinafter referred to as '**R Systems**' or '**the Company**'), is a company incorporated on 14 May 1993 under the Companies Act, 1956 and has its Registered Office at B-104 A, Greater Kailash Part 1, New Delhi - 110048. The e-mail id of R Systems is RSIL@rsystems.com.

R Systems is engaged in providing IT and BPO services. The equity shares of R Systems are presently listed on the National Stock Exchange of India Limited (hereinafter called **'NSE'**) and the BSE Limited (hereinafter called **'BSE'**).

The Corporate Identity Number of R Systems is L74899DL1993PLC053579. Further, the Permanent Account Number of R Systems is AABCR9541B.

(B) PURPOSE AND RATIONALE OF THE SCHEME OF AMALGAMATION

This Scheme of Amalgamation (hereinafter called '**Scheme**') has been propounded under Sections 230-232 and other applicable provisions, if any of the Act (as defined hereinafter) for amalgamation of GM Solutions with R Systems.

GM Solutions forms part of the promoter group of R Systems. It presently holds 2,97,46,353 equity shares constituting about 24% of total paid-up equity share capital of R Systems.

Pursuant to the proposed amalgamation, individual shareholders of GM Solutions who are promoter and promoters group (and their relative) of R Systems (**'Promoters'**) would directly hold the shares in R Systems which are currently held by GM Solutions in the same proportion as they hold through GM Solutions.

This amalgamation would not only lead to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the Promoter's direct commitment to and engagement with R Systems. It would also result in overall

reduction in administrative, managerial and other expenditure and operational rationalization, organizational efficiency and optimum utilization of various resources.

There would be no change in the Promoter shareholding of R Systems. The promoters would continue to hold the same percentage of shares in R Systems, pre and post the amalgamation of GM Solutions into R Systems.

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by GM Solutions and / or its members. No cost, charges, taxes pertaining to the Scheme shall be borne by R Systems.

Further, the Scheme also provides that Promoters shall indemnify R Systems and keep R Systems indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings etc. which may be made or instituted by any third party(ies) including governmental authorities on R Systems and are directly relatable to GM Solutions or which may devolve on R Systems on account of this amalgamation.

In consideration of the above mentioned rationale, this Scheme between GM Solutions and R Systems is being proposed in accordance with the terms set out hereunder.

(C) PARTS OF THE SCHEME OF AMALGAMATION:

This Scheme of Amalgamation is divided into the following parts:

1. **PART I -** Definitions;
2. **PART II -** Details of the Company such as share capital, directors and promoters;
3. **PART III** – Amalgamation of GM Solutions Private Limited with R Systems International Limited; and
4. **PART IV** – General Terms and Conditions.

PART – I

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned therein below:

1.1. **"Act" or "The Act"** means the Companies Act, 2013 or Companies Act, 1956, to the extent applicable, including the rules and regulations made thereunder and will include any statutory modifications, re-enactments and / or amendments thereof for the time being in force;

1.2. "**Applicable Laws**" mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;

1.3. **"Appointed Date"** means 01 January 2018 or such other date as may be fixed or approved by NCLT of judicature at Delhi, or such other competent authority, as may be applicable.

1.4. **"Appropriate Authority"** means any government, statutory, regulatory, departmental or public body or authority of the Jurisdiction of Delhi, including Registrar of Companies, NCT of Delhi and Haryana, New Delhi, Hon'ble NCLT, Securities and Exchange Board of India (SEBI) and Stock Exchange(s) where the shares of R Systems are listed.

1.5. **"Board"** or **"Board of Directors"** in relation to the Amalgamated Company and the Amalgamating Company, as the case may be, means the Board of Directors of such company and include a duly authorised committee of the Board constituted for the implementation of this Scheme.

1.6. **"Effective Date"** means the date on which certified copy(ies) of the Order of NCLT or any other Appropriate Authority sanctioning this Scheme are filed with the Registrar of Companies, NCT of Delhi and Haryana as required under the provisions of the Act.

1.7. **"GM Solutions"** or **"the Amalgamating Company"** means GM Solutions Private Limited, a company incorporated under the Act and having its registered office at B-104 A, Greater Kailash-1, New Delhi – 110048.

1.8. "**IT Act**" means the provisions of the Income-tax Act, 1961 and the rules made thereunder, as may be amended or re-enacted from time to time.

1.9. **"NCLT" or "Tribunal"** means Hon'ble National Company Law Tribunal at New Delhi;

1.10. **"R Systems"** or **"the Amalgamated Company"** means R Systems International Limited, a company incorporated under the Act and having its registered office at B-104 A, Greater Kailash-1, New Delhi – 110048.

1.11. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation, in its present form or with any modification(s) made or to be made and approved under Clause 21 of this Scheme.

1.12. In this Scheme, unless the context otherwise requires:

a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

c) words in the singular shall include the plural and vice versa;

d) any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date; and

e) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

Upon the occurrence of the Effective Date, the Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by NCLT or any other Appropriate Authority shall become operative with effect from the Appointed Date.

PART – II

DETAILS OF DIRECTORS AND PROMOTERS

3. DETAILS OF SHARE CAPITAL, DIRECTORS AND PROMOTERS OF GM SOLUTIONS AND R SYSTEMS

3.1. **The share capital structure of the GM Solutions as on September 15, 2017 is as under:**

Particulars	**Rupees**
Authorized Capital	
6,00,000 equity shares of Rs.10 each	**60,00,000**
Total	**60,00,000**
Issued, Subscribed and Paid up Capital	
5,84,730 equity shares of Rs.10 each	**58,47,300**
Total	**58,47,300**

Subsequent to the above date and till approval of Scheme by Board, there is no change in the share capital structure as set out above.

3.2. **List of directors of GM Solutions is as follows:-**

S. No.	**Name**	**Address**	**DIN No.**	**Date of Appointment**
1	Sartaj Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)	0732606	22/08/2006
2	Ramneet Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)	00732301	29/09/2006
3	Kuldeep Baldev Singh	A – 8, Sector - 23 Noida (U.P.)- 201301 (India)	02393948	01/10/2008
4	Anita Behl	1704, Sector-29, Noida (U.P.) – 201301 (India)	01603183	04/08/2009

3.3. **List of promoters of GM Solutions is as follows:-**

S. No.	Name	Address
1.	Satinder Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
2.	Harpreet Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
3.	Sartaj Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
4.	Ramneet Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
5.	Amrita Rekhi	2051, Last Chance Court Gold River California 95670 (USA)

3.4. **The share capital structure of the R Systems as on September 15, 2017 is as under:**

Particulars	Rupees
Authorized Capital	
20,00,00,000 equity shares of Re. 1 each	20,00,00,000
Total	**20,00,00,000**
Issued, Subscribed and Paid up Capital	
12,39,52,925 equity shares of Re. 1 each	12,39,52,925
Total	**12,39,52,925**

Subsequent to the above date and till approval of Scheme by Board, there is no change in the share capital structure as set out above.

3.5. **List of directors of R Systems is as follows:-**

S. No.	Name	Address	DIN No.	Date of Appointment
1.	Satinder Singh Rekhi	2051, Last Chance Court, Gold River, California 95670 (USA)	00006955	14/05/1993
2.	Baldev Singh	A - 8, Sector - 23, Noida (U.P.) – 201301(India)	00006966	01/09/1997
3.	Avirag Jain	B – 27, Lohia Nagar, Ghaziabad, Uttar Pradesh- 201001 (India)	00004801	03/08/2017
4.	Ruchica Gupta	D-55/C Hauz Khas New Delhi 110016 (India)	06912329	07/07/2014
5.	Kapil Dhameja	207 Vaishali, Pitampura Delhi 110034 (India)	02889310	29/06/2016
6.	Aditya Wadhwa	D 1092 New Friends Colony Delhi 110065 (India)	07556408	29/06/2016

Subsequent to the above date and till approval of Scheme by Board, there is no change in the Directors as set out above.

3.6. **List of promoters and Promoter Group of R Systems is as follows:-**

S. No.	Name	Address
1.	Satinder Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
2.	Harpreet Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
3.	Satinder & Harpreet Rekhi Family Trust	2051, Last Chance Court Gold River California 95670 (USA)
4.	RightMatch Holdings Limited	IFS Court, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Mauritius
5.	GM Solutions Private Limited	B-104 A, Greater Kailash Part-1 New Delhi 110048 (India)

6.	Sartaj Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
7.	Ramneet Singh Rekhi	2051, Last Chance Court Gold River California 95670 (USA)
8.	Kuldeep Baldev Singh	A – 8, Sector - 23 Noida (U.P.)- 201301 (India)
9.	Anita Behl	1704, Sector-29, Noida (U.P.) – 201301 (India)

Subsequent to the above date and till approval of Scheme by Board, there is no change in the promoters and promoters group of R Systems as set out above.

PART – III

AMALGAMATION OF GM SOLUTIONS WITH R SYSTEMS

4. TRANSFER AND VESTING OF BUSINESS AND UNDERTAKING

4.1. With effect from the Appointed Date, the entire business and whole of the undertaking of Amalgamating Company including all its properties, assets and tax credit (such as advance income tax, withholding tax credit, input credit of Goods and Service Tax and Minimum Alternate Tax ('MAT') credit), if any, of whatsoever nature shall under the provisions of sections 230 to 232 of the Act and pursuant to the order(s) of the NCLT or any other Appropriate Authority sanctioning this Scheme and without further act, instrument or deed be transferred and/or deemed to be transferred to and vested in Amalgamated Company so as to become the properties and assets of Amalgamated Company in accordance with Section 2(1B) of the Income Tax Act, 1961.

4.2. All the liabilities (including contingent liabilities) shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by Amalgamated Company pursuant to the provisions of sections 230 to 232 of the Act, so as to become the liabilities of Amalgamated Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

5. CONSIDERATION

5.1. Upon this Scheme becoming effective and upon amalgamation of Amalgamating Company with Amalgamated Company, in terms of this Scheme Amalgamated Company shall, without any further application, act or deed, issue and allot Equity

Shares in dematerialized form to the members of Amalgamating Company whose names appear in the Register of its members on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as aforesaid in the following manner (hereinafter referred as **New Equity Shares**):-

"2,97,46,353 (Two Crore Ninety Seven Lakhs Forty Six Thousand Three Hundred and Fifty Three Only) fully paid up equity shares of the face value of Re. 1/- (Rupee One) of R Systems International Limited to be issued and allotted to the Equity Shareholders of GM Solutions Private Limited in the proportion of their respective equity shareholding in GM Solutions Private Limited"

5.2. The fractional entitlement, if any, to which shareholders of the Amalgamating Company may become entitled to upon issue of New Equity Shares pursuant to Clause 5.1 above would be rounded off by the Amalgamated Company to the nearest integer. However, in no event, the number of New Equity Shares to be allotted by the Amalgamated Company to the shareholders of the Amalgamating Company shall exceed the total number of equity shares held by the Amalgamating Company in the Amalgamated Company.

5.3. The New Equity Shares in the Amalgamated Company, to be issued to the members of the Amalgamating Company pursuant to Clause 5.1 above, shall be subject to the Memorandum and Articles of Association of the Amalgamated Company and shall rank pari passu, with the existing equity shares of the Amalgamated Company.

5.4. Upon New Equity Shares being issued and allotted by the Amalgamated Company to the shareholders of the Amalgamating Company, in accordance with Clause 5.1 above, the investment held by the Amalgamating Company in the share capital of the Amalgamated Company shall, without any further application, act, instrument or deed

stand cancelled. The shares of Amalgamated Company held by the Amalgamating Company in dematerialized form shall be extinguished, on and from such issue and allotment of New Equity Shares.

5.5. Such reduction of share capital of Amalgamated Company as provided in Clause 5.4 above shall be effected as an integral part of the Scheme and the orders of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 and any other applicable provisions of the Act confirming the reduction. The Amalgamated Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

5.6. Upon New Equity Shares being issued and allotted by the Amalgamated Company to the members of the Amalgamating Company, in accordance with Clause 5.1, the share certificates in relation to the shares held by the said members in the Amalgamating Company shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.

5.7. New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 5.1 above shall be issued in dematerialized form by the Amalgamated Company. In that relation, the members of the Amalgamating Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any member has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Amalgamated Company, then the Amalgamated Company shall issue New Equity Shares in physical form to such member or members.

5.8. New Equity Shares of the Amalgamated Company issued in terms of Clause 5.1 of this Scheme will be listed and/ or admitted to trading on the NSE and BSE where the shares of the Amalgamated Company are listed and/or admitted to trading in terms of the Listing Agreement.

5.9. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled the said Stock Exchanges shall list and/or admit such New Equity Shares for the purpose of trading.

5.10. The issue and allotment of equity shares by the Amalgamated Company to the members of the Amalgamating Company pursuant to Clause 5.1 above is an integral part of this Scheme.

5.11. The approval of this Scheme by the members of the Amalgamated Company shall be deemed to be due compliance of the provision of 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Amalgamated Company to the members of the Amalgamating Company, as provided in this Scheme.

6. ACCOUNTING TREATMENT

With effect from the Appointed Date and upon the Scheme becoming effective, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company in its books of accounts as per the 'Pooling of Interest Method' as described in Accounting Standard – 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India such that:

6.1. Amalgamated Company shall, record all the assets, liabilities, debts including the reserves and surplus of Amalgamating Company, vested in Amalgamated Company pursuant to this Scheme, at their book values as appearing in the books of Amalgamating Company, at the close of business of the day immediately preceding the Appointed Date.

6.2. The equity shares of Amalgamated Company held by Amalgamating Company shall stand cancelled and accordingly the equity share capital of Amalgamated Company to the extent of face value of shares held by Amalgamating Company shall be substituted by the Equity Shares being issued by Amalgamated Company.

6.3. With effect from the Appointed Date and upon the Scheme becoming effective, the inter-company balances and investments (including the investments of Amalgamating Company in the Amalgamated Company and vice versa), if any, appearing in the books of accounts of Amalgamating Company and Amalgamated Company shall stand cancelled.

6.4. The difference, if any, between the book value of assets and liabilities including the reserves and surplus of Amalgamating Company recorded as per Clause 6.1 and Clause 6.2 above and after effecting adjustments mentioned in Clause 6.2 and Clause 6.3 above, shall be adjusted in the reserves of Amalgamated Company.

6.5. In case of any difference in accounting policy between Amalgamating Company and Amalgamated Company, the impact on account of change in the accounting policy to achieve uniformity on account of Amalgamation will be quantified and adjusted in the reserves to ensure that the financial statements of Amalgamated Company reflect the financial position on the basis of consistency in the accounting policies.

6.6. It is further provided that if the resultant figure as per Clause 6.4, after adjustment as per Clause 6.5 above, is negative, then such negative reserve shall be adjusted against the existing Capital Redemption Reserve and Securities Premium Account, to the extent available with the Amalgamated Company as on the Effective Date.

6.7. Such reduction of Capital Redemption Reserves and Securities Premium Account of Amalgamated Company as provided in Clause 6.6 above shall be effected as an integral part of the Scheme and the orders of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66, Section 52 and any other applicable provisions of the Act confirming the reduction. The Amalgamated Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

7. INCREASE IN AUTHORISED SHARE CAPITAL OF AMALGAMATED COMPANY

7.1. Upon the Scheme becoming effective, the authorized share capital of Amalgamated Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of Amalgamated Company by the authorized share capital of Amalgamating Company as on the Effective Date and the Memorandum of Association and Articles of Association of Amalgamated Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 13, 14 and 61 and other applicable provisions of the Companies Act, 2013, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized share capital of Amalgamating Company shall be utilized and applied to the increased

authorized share capital of Amalgamated Company and no payment of any extra stamp duty and / or fee shall be payable by Amalgamated Company for increase in the authorized share capital to that extent.

7.2. Pursuant to this Scheme, Amalgamated Company shall file the requisite forms with the Registrar of Companies, Delhi or any other Applicable Authority for such increase of the authorized share capital.

8. STAFF, WORKMEN AND EMPLOYEES

8.1. On the Scheme becoming effective, all staff, workmen and employees of Amalgamating Company, if any, in service on the Effective Date shall become staff, workmen and employees of Amalgamated Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Amalgamated Company shall not be less favorable than those applicable to them with reference to Amalgamating Company, on the Effective Date.

9. LEGAL PROCEEDINGS

9.1. All legal proceedings of whatsoever nature by or against the Amalgamating Company, pending and / or arising on or after the Appointed Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme but shall be continued and enforced by or against the Amalgamated Company as the case may be, in the manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Company.

9.2. The Amalgamated Company undertakes to have all legal and / or other proceedings initiated by or against the Amalgamating Company referred to in Clause 9.1 above,

transferred in its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company, to the exclusion of the Amalgamating Company.

9.3. After the Effective Date, the Promoters undertake to keep harmless and indemnify and keep indemnified from time to time the Amalgamated Company from and against any contingent liabilities and obligations relatable to the Amalgamating Company including all demands, claims, suits, proceedings and the like which have, shall or may be made or instituted by any person, authority, Government of India, firm, company, body corporate or organisation against the Amalgamated Company, directly relating to the Amalgamating Company and / or against any financial liability/claim that may arise against the Amalgamated Company by virtue of transfer and vesting of the Amalgamating Company into the Amalgamated Company under and pursuant to this Scheme.

10. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC

10.1. With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance policies, indemnities, guarantees and other instruments of whatsoever nature in relation to the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or having effect on or immediately before the Effective Date, shall be in full force and effect, on or against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto or thereunder.

10.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme, all consents, permissions, licenses,

certificates, clearances, authorities, power of attorney, if any given by, issued to or executed in favour of the Amalgamating Company shall stand transferred to the Amalgamated Company, as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

10.3. The Amalgamated Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Amalgamating Company to which the Amalgamating Company is a party in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Amalgamating Company.

11. OTHER ENTITLEMENTS

All cheques and other negotiable instruments, payment orders received in the name of the Amalgamating Company after the Effective Date shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company. Similarly, the bankers of the Amalgamated Company shall honour cheques issued by the Amalgamating Company, which are presented after the Effective Date.

12. TREATMENT OF TAXES/DUTIES/CESS ETC.

12.1. It is expressly clarified that upon the Scheme becoming effective all taxes payable by the Amalgamating Company from the Appointed Date onwards shall be treated as the tax liability of the Amalgamated Company. Similarly all credits for tax deduction at source on income of the Amalgamating Company shall be given to the Amalgamated Company; or obligation for deduction of tax at source on any payment made by or to be made by the Amalgamated Company shall be made or deemed to have been made and duly complied with if so made by the Amalgamating Company. Similarly any advance tax payment required to be made by specified due dates in the tax laws shall also be deemed to have been made correctly if so made by the Amalgamating Company.

12.2. All taxes of any nature, duties, cess or any other like payment or deductions made by the Amalgamating Company to any statutory authorities such as income tax, goods and service tax etc. or any tax deduction or collection at source, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been on account of or paid by the Amalgamated Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Amalgamated Company upon the passing of the orders on this Scheme by NCLT and upon relevant proof and documents being provided to the said authorities.

12.3. Upon the Scheme becoming effective, the Amalgamated Company is also expressly permitted to revise its income tax, withholding tax, goods and service tax and other statutory returns and filings under the tax laws notwithstanding that the period of filing/ revising such returns may have lapsed and to claim refunds, tax credit (such as advance income tax, withholding tax credit, input credit of Goods and Service Tax and Minimum Alternate Tax ('MAT') credit), etc., pursuant to the provisions of this Scheme. The

Amalgamated Company shall be entitled to refund and/or set off all amounts paid by the Amalgamating Company or the Amalgamated Company under Income Tax or any other disputed amount under appeal, if any, upon this Scheme being effective.

13. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

13.1. The Amalgamating Company undertakes to preserve and carry on the business with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

13.1.1. if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

13.1.2. if the same is expressly permitted by this Scheme; or

13.1.3. if prior written consent of the Board of Directors or its committee thereof of the Amalgamated Company has been obtained.

13.2. The Amalgamating Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of the Amalgamating Company for and on account of, and in trust for the Amalgamated Company.

13.3. All profits and cash accruing to or losses arising or incurred (including the effect of taxes, if any, thereon), by the Amalgamating Company, shall for all purposes, be treated as the profits or cash or losses, of the Amalgamated Company.

13.4. All accretions and depletions to the Amalgamating Company shall be for and on account of the Amalgamated Company.

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

13.6. The Amalgamating Company shall not vary the terms and conditions of service of its employees except in the ordinary course of its business.

14. DIVIDENDS

14.1. Notwithstanding the above Clause 13, until the Effective Date, the Amalgamated Company and the Amalgamating Company shall be entitled to declare and pay dividends, whether interim or final, to its shareholders in respect of the accounting period prior to the Effective Date out of its income / cash, if any, lying with the Amalgamated Company and the Amalgamating Company.

14.2. The holders of the shares of the Amalgamated Company and the Amalgamating Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

14.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Amalgamated Company and / or Amalgamating Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Amalgamated Company and / or Amalgamating

Company respectively, and subject to the approval, if required, of the shareholders of the Amalgamated Company and / or Amalgamating Company respectively.

15. UTILIZATION OF AVAILBLE CASH, SURPLUS ASSETS OR INCOME BY THE AMALGMATING COMPANY

Notwithstanding the above Clause 13, until the Effective Date, Amalgamating Company shall have the right to utilize available cash, bank balances, surplus assets or its income (other than the shares held in the Amalgamated Company) for the purpose of meeting the expenses in the ordinary course of its business or for the purpose(s) specified in this Scheme including the expenses incurred for implementation of this Scheme.

16. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Amalgamating Company, pursuant to this Scheme, and the continuance of the legal proceedings by or against the Amalgamated Company shall not affect any transactions or proceedings already completed by the Amalgamating Company, on and after the Appointed Date, to the end and intent that the Amalgamated Company accepts all acts, deeds and things done and executed by and / or on behalf of the Amalgamating Company, as acts, deeds and things done and executed by and / or on behalf of the Amalgamated Company.

17. COMPLIANCE WITH SECTION 2(1B) OF THE INCOME-TAX ACT, 1961

The provisions of this Scheme as they relate to the amalgamation of Amalgamating Company into and with Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever,

the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

18. DISSOLUTION OF THE AMALGAMATING COMPANY

On the Scheme becoming effective, the Amalgamating Company shall without any further act or deed stand dissolved without being wound up.

PART – IV

GENERAL TERMS AND CONDITIONS

19. APPLICATION TO NCLT

The Amalgamating Company and the Amalgamated Company shall, with all reasonable dispatch, make applications or petitions under Sections 230-232 and other applicable provisions of the Act to NCLT or any other Appropriate Authority, for sanction of this Scheme under the provisions of law.

20. APPROVAL OF THE SCHEME THROUGH E-VOTING

The approval of shareholders of the Amalgamated Company shall be obtained through e-Voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to this Scheme). The Scheme shall be acted upon only if the votes cast by public shareholders in favour of the resolution are more than the number of votes cast by public shareholders against it in accordance with the Securities and Exchange Board of India ("SEBI") circular no. CFD/DIL3/CIR/2017/21 issued on March 10, 2017 subject to modification, if any, in accordance with any subsequent circulars and amendment that may be issued by SEBI from time to time.

21. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

The Amalgamating Company and the Amalgamated Company, by their respective Board of Directors (or committees of their respective Board of Directors) may assent to any modifications / amendments including withdrawal / termination to the Scheme or to any conditions or limitations that NCLT and / or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the their respective Board of Directors (or committees of their respective Board of Directors).

The Amalgamating Company and the Amalgamated Company, by their respective Board of Directors (or committees of their respective Board of Directors), be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

22. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

22.1. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of the Amalgamating Company and the Amalgamated Company, as prescribed under the Act and / or as may be directed by NCLT or any other Appropriate Authority as may be applicable.

22.2. The sanction of this Scheme by NCLT or any other Appropriate Authority under Sections 230 to 232 and other applicable provisions, if any of the Act in favour of the Amalgamating Company and the Amalgamated Company.

22.3. Certified or authenticated copy of the order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi by the Amalgamating Company and the Amalgamated Company.

22.4. The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

23. SEVERABILTY

If any provision of this Scheme is found to be unworkable for any reason whatsoever or unenforceable under the present or future Laws, then subject to the decision of the Amalgamating Company and the Amalgamated Company, such part shall be severable from the remainder of this Scheme and shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.

24. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in Clause 22 not being obtained and / or the Scheme not being sanctioned by NCLT or such other Appropriate Authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Promoters and / or the Amalgamating Company shall bear and pay costs, charges and expenses for and or in connection with the Scheme.

25. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by GM Solutions and / or its members. No cost, charges, taxes pertaining to the Scheme shall be borne by R Systems.

CA PRAVEEN KUMAR VERMA, FCA
CHARTERED ACCOUNTANT

Plot No. 1986, Sector 23-A
Faridabad - 121005

20th September 2017

The Board of Directors
R Systems International Limited
B-104 A, Greater Kailash Part-1
New Delhi - 110048

The Board of Directors
GM Solutions Private Limited
B-104 A, Greater Kailash Part-1
New Delhi - 110048

Re: Valuer's Report on Share Entitlement Ratio for the purpose of proposed Amalgamation of GM Solutions Private Limited into R Systems International Limited.

Dear Sirs,

We have been requested by the management of R Systems International Limited (hereinafter referred to as "**R Systems**") and GM Solutions Private Limited (hereinafter referred to as "**GM Solutions**") to recommend a share entitlement ratio for the proposed amalgamation of GM Solutions into R Systems. R Systems and GM Solutions are hereinafter collectively referred to as the "**Companies**".

1. SCOPE AND PURPOSE OF THIS REPORT

1.1. We have been given to understand that in order to inter alia simplify the shareholding structure and reduce shareholding tiers for the promoters of R Systems, it is proposed that GM Solutions will amalgamate into R Systems (hereinafter referred to as the "**Amalgamation**") in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "**Scheme**"). Subject to necessary approvals, GM Solutions would be merged with R Systems, with effect from January 01, 2018 (i.e. the "**Appointed Date**")

1.2. In this regard, we have been requested to recommend a share entitlement ratio for the proposed Amalgamation of GM Solutions into R Systems.

CA Praveen Kumar Verma
Membership No. 504886

2. BRIEF BACKGROUND OF THE COMPANIES

2.1. R SYSTEMS INTERNATIONAL LIMITED

2.1.1. R Systems is engaged in providing IT and BPO services. R Systems, was incorporated on 14 May 1993 and is a specialized IT Services & Solutions and IT-enabled services provider catering to a wide range of global customers. Its services and solutions extend across five major verticals which include Telecom & Digital Media, Banking & Finance, HealthCare, Manufacturing & Logistics, and Retail & E-Commerce.

2.1.2. The equity shares of R Systems are presently listed on the National Stock Exchange of India Limited and BSE Limited.

2.1.3. We have been informed that the Promoter and Promoter Group hold approximately 50.90% of equity share capital of R Systems as on June 30, 2017. It has been represented by the management that there is no change in the promoter shareholding since then till date.

2.2. GM SOLUTIONS PRIVATE LIMITED

2.2.1. GM Solutions is a private limited company and was incorporated on October 19, 2000. GM Solutions is a promoter group company of R Systems.

2.2.2. GM Solutions holds 2,97,46,353 equity shares of INR 1 each fully paid up being approximately 24% of the total paid-up equity share capital of R Systems. The shares held by GM Solutions in R Systems have been classified as part of Promoter Group shareholding.

3. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

a) Unaudited trial balance and shareholding of GM Solutions as on August 31, 2017 as provided by the management of GM Solutions.

b) Draft Scheme of Amalgamation between GM Solutions and R Systems under section 230 to 232 and other applicable provisions of the Companies Act 2013.

CA Praveen Kumar Verma
Membership No. 504686

c) Such other information and explanations as we required and which have been provided by the management of the Companies.

4. LIMITATIONS

4.1. Our recommendation is dependent upon the information furnished to us being completed in all material respects.

4.2. This report has been prepared for the Board of Directors of the Companies solely for the purpose of recommending a share entitlement ratio for the proposed Amalgamation of R Systems and GM Solutions.

4.3. Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the companies referred to in this report. We have not investigated or otherwise verified the data provided. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.

4.4. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the companies and any other matter, which may have an impact on our opinion on the share exchange ratio for the proposed scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

4.5. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme with the provision of any law including Companies, Taxation and Capital Market related laws or as regards any legal implications or issues arising from such proposed scheme.

4.6. The information contained herein and our report is absolutely confidential. It is intended only for the sole use and information of the Companies, and only in connection with the proposed Amalgamation as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the

CA Praveen Kumar Verma
Membership No. 504686

proposed Amalgamation as aforesaid, can be done only with our prior permission in writing.

4.7. Our scope of work involves recommendation of entitlement ratio, however the decision to proceed with the Amalgamation as well as the acceptance of this entitlement depends on the directors of the respective companies.

5. BASIS FOR DETERMINATION OF RATIO

5.1. As informed earlier, GM Solutions holds 2,97,46,353 equity shares in R Systems. As per the Scheme, upon Amalgamation of GM Solutions into R Systems, the shareholders of GM Solutions would be entitled to the same number of shares of R Systems which they own on the Effective Date of the proposed Amalgamation indirectly through their holding in GM Solutions. Pursuant to the Amalgamation, there would be no change in the paid -up capital of R Systems. Considering that the same number of shares are being issued and there would be no impact on shareholding of other shareholders of R Systems, also their Interest remains unaffected, therefore we have thought fit not to undertake the valuation of shares of the Companies following any specific valuation methodology as there will be no impact on the determination of share entitlement ratio pursuant to the proposed Amalgamation.

5.2. We have been further informed by the management and captured in the Scheme as well that all costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by GM Solutions and / or its members. No cost, charges, taxes pertaining to the Scheme shall be borne by R Systems.

6. RECOMMENDED RATIO

6.1. Based on above, we recommend a share entitlement ratio as follows:

"2,97,46,353 (Two Crore Ninety Seven Lakhs Forty Six Thousand Three Hundred and Fifty Three Only) fully paid up equity shares of the face value of Re. 1/- (Rupee One) of R Systems International Limited to be issued and allotted to the Equity Shareholders of* GM Solutions *Private Limited in the proportion of their respective equity shareholding in* GM Solutions*".

CA Praveen Kumar Verma
Membership No. 504686

6.2. We believe that the above ratio is fair and equitable considering that all the shareholders of GM Solutions will remain the beneficial owners in R Systems in the same proportion post Amalgamation, as they were holding in R Systems (directly and/or indirectly through GM Solutions) prior to the Amalgamation and that the interest of the other shareholders in R Systems remains unaffected.

Thanking you,
Yours faithfully,

CA Praveen Kumar
Chartered Accountant
Membership No. 504686
Date: 20th September, 2017
Place: Faridabad

CA Praveen Kumar Verma
Membership No. 504686

Corporate Professionals

FAIRNESS OPINION

R Systems International Ltd

&

GM Solutions Private Limited

21st September, 2017

Strictly Private & Confidential

Corporate Professionals Capital Private Limited
CIN - U74899DL2000PTC104508
D 28, South Extn. Part- I, New Delhi 110049, India | T: +91 11 40622200 | F: +91 11 40622201 | E: mb@indiacp.com
www.corporateprofessionals.com

Ref. No: CPC/MB/111/2017-18 **Dated 21.09.2017**

SEBI Reg. No: INM000011435

The Board of Directors
R Systems International Limited
B-104 A, Greater Kailash Part-1
New Delhi - 110048

The Board of Directors
GM Solutions Private Limited
B-104 A, Greater Kailash Part-1
New Delhi - 110048

Subject: Fairness Opinion on the valuation reportundertaken by CA. Praveen Kumar Verma, Chartered Accountant for the Proposed Scheme of Amalgamation of GM Solutions Private Limited into R Systems International Limited.

Dear Sir,

We refer to our appointment for the purpose of arriving at an opinion on the share entitlement ratio for the proposed amalgamation of GM Solutions Private limited (hereinafter referred to "GM Solutions") into R Systems International Limited (hereinafter referred to "R Systems"). R Systems and GM Solutions are hereinafter collectively referred to as the "Companies".

Under the proposed amalgamation in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme") and subject to necessary approvals, GM Solutions would be amalgamated with R Systems on a going concern basis ("**Proposed Amalgamation**").

In terms of our engagement letter, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

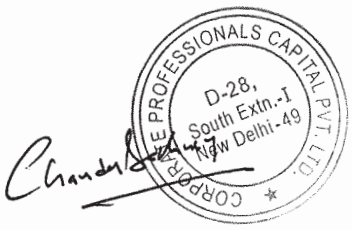
The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "listing regulations") read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, it should not be used, reproduced or circulated to any other person in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges,

CORPORATE PROFESSIONALS CAPITAL PVT. LTD. D-28, South Extn.-I New Delhi-49

National Company Law Tribunal ("**NCLT**")and notices to be dispatched to the shareholder and creditors for convening the meeting pursuant the directions of NCLT and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Corporate Professionals Capital Private Limited



Chander Sawhney

[Partner]



Maneesh Srivastava

[Associate Vice President]

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CONTEXT AND BACKGROUND

1. We understand that R Systems is listed on the National Stock Exchange of India Limited and BSE Limited. The proposed scheme of amalgamation provides for amalgamation of GM Solutions into R Systems in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "**Scheme**").

2. GM Solutions forms part of the promoter group of R Systems. It presently holds 2,97,46,353 equity shares constituting about 24% of total paid-up equity share capital of R Systems. Pursuant to the proposed amalgamation, shareholders of GM Solutions who are promoter and promoter group (andtheir relative) of R Systems ('**Promoters**') as well would directly hold the shares in R Systems which are currently held by shareholders of GM Solutions in the same proportion as they hold through GM Solutions.

3. The opinion expressed here is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "listing regulations") read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchange/NCLT and notices to be dispatched to the shareholder and creditors for convening the meeting pursuant the directions of NCLT and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

4. With reference to the above, Corporate Professionals Capital Private Limited has been appointed as Merchant Bankers by the management of R Systems / GM Solutions to provide the "Fairness Opinion" on the Share Entitlement Report issued by the Valuer.

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BRIEF ABOUT COMPANIES

1. R SYSTEMS INTERNATIONAL LIMITED

a) R Systems is engaged in providing ITand BPO services. R Systems, was incorporated on 14 May 1993 and is a specialized IT Services & Solutions and IT-enabled services provider catering to a wide range of global customers. Its services and solutions extend across five major verticals which include Telecom & Digital Media, Banking & Finance, HealthCare, Manufacturing & Logistics, and Retail & E-Commerce.

b) The equity shares of R Systems are presently listed on the National Stock Exchange of India Limited and BSE Limited.

c) We have been informed that the Promoter and Promoter Group hold approximately 50.90% of equity share capital of R Systems as on June 30, 2017. It has been represented by the management that there is no change in the promoter and promoter group shareholding since then till date.

2. GM SOLUTIONS PRIVATE LIMITED

a) GM Solutions is a private limited company and was incorporated on October 19, 2000. GM Solutions forms part of the promoter group of R Systems.

b) GM Solutions holds 2,97,46,353 equity shares of INR 1 each fully paid up being approximately 24% of the total paid-up equity share capital of R Systems. The shares held by GM Solutions in R Systems have been classified as part of Promoter Group shareholding.

CORPORATE PROFESSIONALS CAPITAL PVT. LTD. D-28, South Extn.-I, New Delhi-49

GM Solutions forms part of the promoter group of R Systems. It presently holds 2,97,46,353 equity shares constituting about 24% of total paid-up equity share capital of R Systems.

Pursuant to the proposed amalgamation, individual shareholders of GM Solutions who are promoter and promoters group (and their relative) of R Systems (**'Promoters'**) as well would directly hold the shares in R Systems which are currently held by shareholders of GM Solutions in the same proportion as they hold through GM Solutions.

There would be no change in the promoter shareholding of R Systems. The promoters would continue to hold the same percentage of shares in R Systems, pre and post the amalgamation of GM Solutions into R Systems.

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VALUER ANALYSIS

With reference to the Share EntitlementReport issued by "CA. Praveen Kumar Verma, Chartered Accountant", dated 20th September 2017, the valuer has thought fit not to undertake the valuation of shares of the Companies following any specific valuation methodology as there will be no impact on the determination of share entitlement ratio pursuant to the Proposed Amalgamation as–

- ✓ GM Solutions holds 2,97,46,353 equity shares in R Systems.
- ✓ Upon Proposed Amalgamation, the shareholders of GM Solutions would be entitled to the same number of shares of R Systems which they own on the Effective Date of the Proposed Amalgamation indirectly through their holding in GM Solutions.
- ✓ Pursuant to the Proposed Amalgamation, there would be no change in the paid -up capital of R Systems. Considering that the same number of shares are being issued and there would be no impact on shareholding of other shareholders of R Systems, also their Interest remains unaffected.

Based on the above reasoning the valuer has recommended the share entitlement ratio as follows

"***2,97,46,353 (Two Crore Ninety Seven Lakhs Forty Six Thousand Three Hundred and Fifty Three Only) fully paid up equity shares of the face value of Re. 1/- (Rupee One) of R Systems International Limited to be issued and allotted to the Equity Shareholders of*** **GM Solutions*Private Limited in the proportion of their respective equity shareholding in* GM Solutions*Private Limited*".**

CORPORATE PROFESSIONALS CAPITAL PVT. LTD. D-28 South Extn.-I New Delhi-49

CONCLUSION &OPINION

- The Proposed Amalgamation would not only lead to simplification of theshareholding structure and reduction of layering but also demonstrate the promoter group's direct commitment to and engagement with R Systems.

- In reference to the Share Entitlement Report issued by CA. Praveen Kumar Verma,Chartered Accountant dated 20th September 2017 which suggest that post Amalgamation there would be no change in the paid -up capital of R Systems. Considering that the same number of shares are being issued and there would be no impact on shareholding of other shareholders of R Systems, also their interest remains unaffected.

- Further considering the Share Entitlement Ratio proposed by valuer, it seems fair and equitable considering that all the shareholders of GM Solutions will remain the beneficial owners in R Systems in the same proportion post Amalgamation, as they were holding in R Systems (directly and/or indirectly through GM Solutions) prior to the Proposed Amalgamation and that the interest of the other shareholders in R Systems remains unaffected.

*"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI circular no.*CFD/DIL3/CIR/2017/21 dated March 10, 2017,*we have reviewed the valuation report of the Valuer pursuant to the scheme of Amalgamation and considered it to be fair and reasonable from the point of view of equity shareholders of R Systems."*

CORPORATE PROFESSIONALS CAPITAL PVT. LTD. D-28, South Extn.-I New Delhi-49

CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective managements, and other public available information while reviewing the valuation report of the valuer. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

- We have notmade an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed/validated the financial data except what is provided to us by the Companies.

- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.

- We have no present or planned future interest in R Systems/GM Solutionsand the fee payable for this opinion is not contingent upon the opinion reported herein.

- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion. This opinion is issued on the understanding that the Management of R Systems/GM Solutions under the Scheme and the valuer through their Valuation report dated 20th September, 2017 have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.

CORPORATE PROFESSIONALS CAPITAL PVT. LTD. D-28, South Extn.-I New Delhi-49

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307
Phones : +91-120-4303500 | Email : rsystems.india@rsystems.com | Regd. Off.: B-104A, Greater Kailash-1,
Fax : +91-120-2587123 | www.rsystems.com | New Delhi - 110 048

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REF: SECT/10/2017/23

OCTOBER 23, 2017

To,

The Managing Director
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra - (E),
Mumbai - 400 051.

NSE Symbol: RSYSTEMS

Dear Sir,

SUB: SUBMISSION OF COMPLAINT REPORT WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION BETWEEN GM SOLUTIONS PRIVATE LIMITED AND R SYSTEMS INTERNATIONAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This is with reference to the Application No. 13473 ("**SEBI Application**") placed on the website of the National Stock Exchange on September 29, 2017 with respect to scheme of Amalgamation between GM Solutions Private Limited (**"GM Solutions"**) and R Systems International Limited (**"R Systems" or "Company"**) and their respective Shareholders and Creditors (**"Scheme"**).

In this regard, we are enclosing Complaints Report indicating Nil Complaints pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

We request you to take the same on record and provide us the in-principle approval/No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For **R Systems International Limited**

Ashish Thakur
(Company Secretary & Compliance Officer)

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307
Phones : +91-120-4303500 | Email : rsystems.india@rsystems.com | Regd. Off.: B-104A, Greater Kailash-1,
Fax : +91-120-2587123 | www.rsystems.com | New Delhi - 110 048

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REPORT ON COMPLAINTS

PART-A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

PART-B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
	Not Applicable		

For **R Systems International Limited**

Ashish Thakur
(Company Secretary & Compliance Officer)
Date: October 23, 2017

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307
Phones : +91-120-4303500 | Email : rsystems.india@rsystems.com | Regd. Off.: B-104A, Greater Kailash-1,
Fax : +91-120-2587123 | www.rsystems.com | New Delhi - 110 048

REF: SECT/11/2017/01 NOVEMBER 02, 2017

To,
The General Manager,
Department of Corporate Services,
BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001

BSE Scrip Code: 532735

Dear Sir,

SUB: SUBMISSION OF COMPLAINT REPORT WITH RESPECT TO APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION BETWEEN GM SOLUTIONS PRIVATE LIMITED AND R SYSTEMS INTERNATIONAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This is with reference to the Application/ Case No. 63653 ("**SEBI Application**") placed on the website of the BSE Limited on October 11, 2017 with respect to scheme of Amalgamation between GM Solutions Private Limited ("**GM Solutions**") and R Systems International Limited ("**R Systems" or "Company**") and their respective Shareholders and Creditors ("**Scheme**").

In this regard, we are enclosing Complaints Report indicating Nil Complaints pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

We request you to take the same on record and provide us the in-principle approval/No Objection Letter for the abovementioned Scheme.

Thanking You,

Yours Truly,

For **R Systems International Limited**

Ashish Thakur
(Company Secretary & Compliance Officer)

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R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
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Fax : +91-120-2587123 | www.rsystems.com | New Delhi - 110 048

REPORT ON COMPLAINTS

PART-A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

PART-B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
	Not Applicable		

For R Systems International Limited

Ashish Thakur
(Company Secretary & Compliance Officer)
Date: November 02, 2017

BSE
EXPERIENCE THE NEW

DCS/AMAL/SD/R37/1015/2017-18

December 28, 2017

The Company Secretary
R Systems International Limited.
B-104A, Greater Kailash - 1,
New Delhi, Delhi- 110048.

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between GM Solutions Private Ltd and R Systems International Ltd.

We are in receipt of Draft Scheme of Amalgamation between GM Solutions Private Ltd and R Systems International Ltd and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated December 28, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed;

- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Sr. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/13473

December 28, 2017

The Company Secretary & Compliance Officer
R Systems International Limited
C-40, Sector-59,
Noida - 201307

Kind Attn: Mr. Ashish Thakur

Dear Sir,

Sub: Observation letter for Scheme of Amalgamation between GM Solutions Private Limited and R Systems International Limited and their respective Shareholders and Creditors.

This has reference to Scheme of Amalgamation between GM Solutions Private Limited and R Systems International Limited and their respective shareholders and creditors submitted to NSE on September 27, 2017.

Based on our letter reference no Ref: NSE/LIST/23125 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI has vide letter dated December 28, 2017, has given following comments on the draft Scheme of Amalgamation:

1. *Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.*

2. *Company shall duly comply with various provisions of the circulars.*

3. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

4. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the National Company Law Tribunal.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com

The validity of this "Observation Letter" shall be six months from December 28, 2017, within which the Scheme shall be submitted to the NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

a) Copy of Scheme as approved by the NCLT;
b) Result of voting by shareholders for approving the Scheme;
c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
d) Status of compliance with the Observation Letter/s of the stock exchanges.
e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f) Complaints Report as per SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
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Fax : +91-120-2587123 | www.rsystems.com | New Delhi - 110 048

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF R SYSTEMS INTERNATIONAL LIMITED AT ITS MEETING HELD ON FEBRUARY 09, 2018 AT 11:30 A.M. AT C - 40, SECTOR - 59, NOIDA - 201 307 (U.P.) INDIA AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

A meeting of the Board of Directors of R Systems International Limited ("Board") was held on September 22, 2017 wherein the Board approved the proposed Scheme of Amalgamation between GM Solutions Private Limited ("GM Solutions" or "Transferor Company") and R Systems International Limited ("R Systems" or "Transferee Company") and their respective shareholders and creditors ("Scheme").

- In terms of Section 232(2)(c) of Companies Act, 2013 (the "Act"), a report from the Board of R Systems explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders. Further the said report has to specify any special valuation difficulties, if any, in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.
- Having regard to the aforesaid provision, the following was discussed by the Board of Directors in their meeting held on February 09, 2018:
  1. For the purposes of the Scheme, a valuation report was obtained from CA Praveen Kumar Verma, FCA. The valuation report provided the following swap ratio:-

     "2,97,46,353 (Two Crore Ninety Seven Lakhs Forty Six Thousand Three Hundred and Fifty Three Only) fully paid up equity shares of the face value of Re. 1/- (Rupee One) of R Systems International Limited to be issued and allotted to the Equity Shareholders of GM Solutions Private Limited in the proportion of their respective equity shareholding in GM Solutions"

     Thus, pursuant to Amalgamation, the equity shares of Transferee Company held by Transferor Company shall stand cancelled and accordingly the equity share capital of Transferee Company to the extent of face value of shares held by Transferor Company shall be substituted by the equivalent No. of Equity Shares being issued by Transferee Company to shareholders of Transferor Company.

R SYSTEMS INTERNATIONAL LTD.

Fairness Opinion is obtained from Corporate Professionals Capital Private Limited which provided:-

"*.....We have reviewed the valuation report of the Valuer pursuant to the scheme of Amalgamation and considered it to be fair and reasonable from the point of view of equity shareholders of R Systems.*"

2. As far as the shareholders of the Company are concerned (Promoters as well as Non-Promoters), there would not be any dilution of shareholding of R Systems pursuant to the Scheme and the interest of shareholders of the company remains unaffected.
3. The Scheme would not have any effect on the Key Managerial Personnel's of the Company except for issue of shares to them in lieu of their shareholding in Transferor Company.

For **R Systems International Limited**

R SYSTEMS INTERNATIONAL LTD.

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

GM SOLUTIONS PRIVATE LIMITED

Regd. Office B – 104A, Greater Kailash – I, New Delhi – 110 048
Corporate Identity Number: U72900DL2000PTC108233 | Tel: 011 – 32596619

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GM SOLUTIONS PRIVATE LIMITED AT ITS MEETING HELD ON JANUARY 09, 2018 AT 10:00 A.M. AT B-104A, GREATER KAILASH, PART-1, NEW DELHI – 110048 AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

- A meeting of the Board of Directors of GM Solutions Private Limited ("Board") was held on September 22, 2017 wherein the Board approved the proposed Scheme of Amalgamation between GM Solutions Private Limited ("GM Solutions" or "Transferor Company") and R Systems International Limited ("R Systems" or "Transferee Company") and their respective shareholders and creditors ("Scheme").
- In terms of Section 232(2)(c) of Companies Act, 2013 (the "Act"), a report from the Board of GM Solutions explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders. Further the said report has to specify any special valuation difficulties, if any, in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.
- Having regard to the aforesaid provision, the following was discussed by the Board of Directors in their meeting held on January 09, 2018:

  1. For the purposes of the Scheme, a valuation report was obtained from CA Praveen Kumar Verma, FCA. The valuation report provided the following swap ratio:-

     "2,97,46,353 (Two Crore Ninety Seven Lakhs Forty Six Thousand Three Hundred and Fifty Three Only) fully paid up equity shares of the face value of Re. 1/- (Rupee One) of R Systems International Limited to be issued and allotted to the Equity Shareholders of GM Solutions Private Limited in the proportion of their respective equity shareholding in GM Solutions"

     Thus, pursuant to Amalgamation, the equity shares of Transferee Company held by Transferor Company shall stand cancelled and accordingly the equity share capital of Transferee Company to the extent of face value of shares held by Transferor Company

GM SOLUTIONS PRIVATE LIMITED

Kuldeep

shall be substituted by the equivalent No. of Equity Shares being issued by Transferee Company to shareholders of Transferor Company.

Fairness Opinion is obtained from Corporate Professionals Capital Private Limited which provided:-

"*.....We have reviewed the valuation report of the Valuer pursuant to the scheme of Amalgamation and considered it to be fair and reasonable from the point of view of equity shareholders of R Systems.*"

2. As far as the shareholders of GM Solutions are concerned, there would not be any dilution of shareholding of GM Solutions pursuant to the Scheme and the interest of shareholders of GM Solutions remains unaffected, since the shareholders of GM Solutions are being issued shares in R Systems basis the valuation report, as provided above.
3. Pursuant to the Scheme becoming effective, GM Solutions shall cease to exist and thus the question of any change in the directors or KMPs of GM Solutions does not arise.

For **GM Solutions Private Limited**

Kuldeep

Kuldeep Baldev Singh
(Director)
(DIN: 02393948)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF R SYSTEMS INTERNATIONAL LIMITED
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **R SYSTEMS INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at December 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on December 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company. (Refer note 34 of the standalone financial statements)

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
RASHIM TANDON
Partner
(Membership No. 095540)

Noida
February 09, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **R SYSTEMS INTERNATIONAL LIMITED** ("the Company") as of December 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
RASHIM TANDON
Partner
(Membership No. 095540)

Noida
February 09, 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence reporting under clause (iv) of the Order is not applicable

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

(vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the services rendered by the Company.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with appropriate authorities and there are no undisputed amounts payable in respect of these dues outstanding as at 31 December, 2017 for a period of more than six months from the date they became payable.

(b) Details of dues of income-tax which have not been deposited as on 31 December, 2017 on account disputes, are given below:

Nature of Statute	Nature of Dues	Amount (in INR)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Demand	Nil *	A/Y 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Demand	Nil #	A/Y 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Demand	Nil @	A/Y 2010-11	Income Tax Appellate Tribunal

* Net of Rs. 1,000,000 deposited and Rs. 8,399,040 adjusted by department against refund for A/Y 2011-12 under protest.

Net of Rs. 1,725,570 adjusted by department against refund for A/Y 2014-15 under protest.

@ Net of Rs. 163,950 adjusted by department against refund for A/Y 2014-15 under protest.

As per records maintained by the Company, there are no dues of Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on December 31, 2017 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan or borrowing from Government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans were applied by the Company for the purpose for which those were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the

details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
RASHIM TANDON
Partner
(Membership No. 095540)

Noida
February 09, 2018

R SYSTEMS INTERNATIONAL LIMITED
STANDALONE BALANCE SHEET AS AT DECEMBER 31, 2017

	Note No.	As at December 31, 2017	As at December 31, 2016
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	123,213,945	123,131,445
Reserves and surplus	4	2,322,678,389	2,080,320,282
		2,445,892,334	**2,203,451,727**
Non-current liabilities			
Long-term borrowings	5	15,847,727	19,146,372
Other long-term liabilities	6	2,232,357	10,298,158
Long-term provisions	7	91,183,552	89,424,532
		109,263,636	**118,869,062**
Current liabilities			
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		150,577,235	157,734,337
Other current liabilities	8	234,164,606	119,992,818
Short-term provisions	7	122,286,072	120,481,901
		507,027,913	**398,209,056**
TOTAL		**3,062,183,883**	**2,720,529,845**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	258,449,852	246,386,813
Intangible assets	10	4,439,475	5,419,772
Capital work in progress		-	26,286,794
Non-current investments	11.1	1,054,579,541	1,126,893,363
Deferred tax assets (net)	12	52,989,337	43,657,296
Long-term loans and advances	13	47,208,662	71,606,484
Other non-current assets	14.2	46,597,883	53,289,036
		1,464,264,750	**1,573,539,558**
Current assets			
Current investments	11.2	135,570,000	87,570,000
Trade receivables	14.1	569,281,049	500,842,978
Cash and bank balances	15	730,349,624	402,079,646
Short-term loans and advances	13	106,520,630	90,184,486
Other current assets	14.2	56,197,830	66,313,177
		1,597,919,133	**1,146,990,287**
TOTAL		**3,062,183,883**	**2,720,529,845**
Summary of significant accounting policies	2.1		

See accompanying notes forming part of the financial statements 1-38

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : NOIDA
Date : February 09, 2018

For and on behalf of the Board of Directors of
R SYSTEMS INTERNATIONAL LIMITED

Sd/-
SATINDER SINGH REKHI
Managing Director
DIN: 00006955

Place : Singapore
Date : February 09, 2018

Sd/-
LT. GEN. BALDEV SINGH (RETD.)
President & Senior Executive Director
DIN: 00006966

Place : NOIDA
Date : February 09, 2018

Sd/-
NAND SARDANA
Chief Financial Officer

Place : NOIDA
Date : February 09, 2018

Sd/-
ASHISH THAKUR
Company Secretary & Compliance Officer

Place : NOIDA
Date : February 09, 2018

R SYSTEMS INTERNATIONAL LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2017

	Note No.	For the year ended December 31, 2017	For the year ended December 31, 2016
		Rs.	Rs.
Revenue			
Revenue from operations	16	2,637,512,996	2,631,768,945
Other income	17	133,745,611	123,667,161
Total revenue		**2,771,258,607**	**2,755,436,106**
Expenses			
Employee benefits expense	18	1,856,048,840	1,663,178,542
Operational and other expenses	19	478,303,919	451,864,197
Depreciation and amortisation expense	20	73,737,519	69,303,151
Finance costs	21	6,331,616	3,683,637
Total expenses		**2,414,421,894**	**2,188,029,527**
Profit before tax and exceptional items		356,836,713	567,406,579
Exceptional items	22	-	46,347,242
Profit before tax		**356,836,713**	**613,753,821**
Tax expense			
Current tax [includes provision of Rs. 3,686,161 (Previous year credit of Rs. 3,655,315) related to earlier years]	31 (c)	127,338,780	224,944,371
MAT credit entitlement (related to earlier years)		-	(15,127,231)
Deferred tax credit		(9,332,041)	(8,201,326)
Total tax expense		**118,006,739**	**201,615,814**
Profit for the year		**238,829,974**	**412,138,007**
Earnings per equity share:	33		
Basic [Nominal value of shares Re. 1 (Previous year: Re. 1)]		1.93	3.26
Diluted [Nominal value of shares Re. 1 (Previous year: Re. 1)]		1.93	3.25
Summary of significant accounting policies	2.1		

See accompanying notes forming part of the financial statements 1-38

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : NOIDA
Date : February 09, 2018

For and on behalf of the Board of Directors of
R SYSTEMS INTERNATIONAL LIMITED

Sd/-
SATINDER SINGH REKHI
Managing Director
DIN: 00006955

Place : Singapore
Date : February 09, 2018

Sd/-
LT. GEN. BALDEV SINGH (RETD.)
President & Senior Executive Director
DIN: 00006966

Place : NOIDA
Date : February 09, 2018

Sd/-
NAND SARDANA
Chief Financial Officer

Place : NOIDA
Date : February 09, 2018

Sd/-
ASHISH THAKUR
Company Secretary & Compliance Officer

Place : NOIDA
Date : February 09, 2018

R SYSTEMS INTERNATIONAL LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR DECEMBER 31, 2017

	For the year ended December 31, 2017	For the year ended December 31, 2016
	Rs.	Rs.
A. Cash flows from operating activities		
Net profit before tax	356,836,713	613,753,821
Adjustments for:		
Depreciation and amortisation expense	73,737,519	69,303,151
Provision for doubtful debts and advances / written back (net)	6,667,621	(2,310,137)
Bad debts and advances written off	-	2,700
Employee stock compensation expenses	2,614,858	2,589,490
Profit on sale of undertaking [refer note 31 (b)]	-	(9,173,022)
Profit on sale of Investment [refer note 31 (a)]	-	(37,174,220)
(Profit) / loss on sale / discard of fixed assets (net)	(324,858)	668,634
Unrealised foreign exchange loss / (gain)	1,791,365	(3,107,191)
Unrealised loss / (gain) on derivative instruments	10,087,496	(10,771,846)
Interest income	(59,266,792)	(56,571,593)
Rental income from investment property	(6,399,996)	(6,399,996)
Liability no longer required written back	(2,526,059)	(5,146,585)
Interest under income tax	382,543	-
Interest expenses	2,378,740	1,341,249
Operating profit before working capital changes	385,979,150	557,004,455
Movements in working capital:		
(Increase) / Decrease in trade receivables	(76,635,855)	100,134
(Increase) / Decrease in other current assets	12,729,325	(30,026,743)
(Increase) / Decrease in loans and advances	(18,844,776)	(7,710,597)
(Increase) / Decrease in other non- current assets	3,150,876	(1,055,803)
Increase / (Decrease) in short-term and long-term provision	9,896,095	40,976,774
Increase / (Decrease) in trade payables, other current liabilities and other long-term liabilities	113,528,724	(27,566,471)
Cash generated from operations	429,803,539	531,721,749
Direct taxes paid, net of refunds	(127,600,016)	(205,418,085)
Interest on income-tax refund	6,109,292	-
Net cash from operating activities (A)	**308,312,815**	**326,303,664**
B. Cash flows from investing activities		
Purchase of fixed assets	(59,762,864)	(108,308,365)
Proceeds from sale of fixed assets	2,776,247	2,310,592
Investment in mutual fund	(48,000,000)	-
Proceeds from redemption of debentures	87,570,000	87,570,000
Investment in subsidiary	(16,730,000)	(53,183,060)
Proceeds from sale of Investment [refer note 31 (a)]	-	67,613,026
Interest received	49,449,409	56,214,251
Rental income from investment property	6,399,996	6,399,996
Investment in long term fixed deposits with scheduled banks	(738,500,000)	(7,200,000)
Proceeds from long term fixed deposits with scheduled banks	365,000,000	65,300,000
Net cash from investing activities (B)	**(351,797,212)**	**116,716,440**
C. Cash flows used in financing activities		
Proceeds from long-term borrowings	1,721,000	6,264,000
Repayment of long-term borrowings- current maturities	(5,692,927)	(4,397,386)
Proceeds from other non-current assets	62,595	43,856
Proceeds from issuance of equity shares	995,775	-
Amount used in buy back of equity shares	-	(195,000,000)
Interest paid	(2,400,596)	(1,259,079)
Dividends paid	(147,537)	(204,137)
Net cash used in financing activities (C)	**(5,461,690)**	**(194,552,746)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(48,946,087)	248,467,358
Add: Cash and cash equivalents at the beginning of the year	394,879,646	146,079,570
Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	(855,730)	332,718
Cash and cash equivalents at the end of the year (refer note 15)	**345,077,829**	**394,879,646**

Notes:

(1) Figures in brackets indicate cash out flow.

(2) Cash and cash equivalents includes unclaimed dividend liabilities of Rs. 2,427,477 (Previous year Rs. 2,575,014). The aforesaid amounts are not available for use by the Company.

See accompanying notes forming part of the financial statements 1-38

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : NOIDA
Date : February 09, 2018

For and on behalf of the Board of Directors of
R SYSTEMS INTERNATIONAL LIMITED

Sd/-
SATINDER SINGH REKHI
Managing Director
DIN: 00006955

Place : Singapore
Date : February 09, 2018

Sd/-
LT. GEN. BALDEV SINGH (RETD.)
President & Senior Executive Director
DIN: 00006966

Place : NOIDA
Date : February 09, 2018

Sd/-
NAND SARDANA
Chief Financial Officer

Place : NOIDA
Date : February 09, 2018

Sd/-
ASHISH THAKUR
Company Secretary & Compliance Officer

Place : NOIDA
Date : February 09, 2018

1. Corporate information

R Systems International Limited (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. The Company is a leading global provider of IT services and Business Process Outsourcing (BPO) services. The Company's primary focus is to provide full service IT solutions, software engineering services, technical support, customer care and other IT enabled services to independent software vendors (ISV's), telecom and digital media technology companies, banking and financial services companies, health care sector, manufacturing and logistics companies and other high technology sectors.

2. Basis of preparation

The financial statements comprising of balance sheet, statement of profit and loss, cash flow statement and notes to financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The Company continues to follow calendar year i.e. 1st day of January to 31st day of December as its financial year vide the Company Law Board approval dated November 18, 2015 under the proviso to Section 2(41) of the Companies Act, 2013.

The previous year financial statements were audited by erstwhile statutory auditor, M/s S.R. Batliboi & Associates LLP, Chartered accountants.

All figures are in Rupees except where expressly stated.

2.1. Summary of significant accounting policies

(a) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. These estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the asset is derecognised.

Fixed assets under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

(c) Depreciation on tangible fixed assets

Depreciation on tangible assets including investment property is provided on the straight line method based on useful lives of respective assets as estimated by the management. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

The management believes that depreciation rates currently used fairly reflect its estimate of the

useful lives and residual values of fixed assets and are in align with Part C of Schedule II of the Companies Act 2013.

The estimated useful lives of the tangible fixed assets followed by the Company in preparing the financial statements are described as below:

Category of tangible fixed assets	Estimated useful life
Buildings	30 years
Land – leasehold	Lease period
Leasehold improvements	Lower of lease period or useful life
Plant and machinery - other than air conditioners	15 years
Air conditioners	5 years
Office Equipment (other than end user devices)	5 years
Computer hardware and network installations (other than end user devices)	6 years
End-user devices such as desktop, laptop, mobile phones etc.	3 years
Furniture and fittings	10 years
Vehicles	8 years
Electrical Installations	10 years

(d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, tangible assets / intangibles are depreciated / amortised on the revised carrying amount over its remaining useful life.

(e) Intangibles assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a straight line basis over the estimated useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the intangible asset
- Its ability to use or sell the intangible asset
- How the intangible asset will generate future economic benefits

- The availability of adequate resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an intangible asset, the cost model is applied requiring the intangible asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the intangible asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the statement of profit and loss. During the period of development, the intangible asset is tested for impairment annually.

A summary of amortisation policies applied to the company's intangible assets are as below:

Category of intangible fixed assets	**Estimated useful life**
Computer software	Lower of license period or 3 years

(f) Leases

Where the company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value of lease property and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets comprising land or building which are subject to operating leases are included under non-current investments as investment property and are carried at cost less accumulated depreciation. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

(g) Investments

Investments, that are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost except for investment property which is carried at cost less accumulated depreciation. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the non-current investments.

(h) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, there is no uncertainty as to the ultimate collection and the revenue can be reliably measured.

Rendering of services

Revenue from software development and maintenance services projects comprise income from

time-and-material and fixed-price contracts.

Revenue with respect to time and material basis is recognised when services are rendered. The same is calculated based on man-hours incurred for rendering services.

Fixed-price contracts vary in duration depending on the terms of the work being performed. Revenue from fixed price contracts (including maintenance and support contracts) is recognised using the percentage of completion method, when reasonable progress has been made on the milestones achieved as specified in the contracts. The stage of completion of project is determined by the proportion that contract efforts incurred for work performed up to the balance sheet date bear to the estimated total contract effort. Changes in contract performance, estimated profitability and final contract settlements may result in revision to costs and revenue and are recognised in the period in which the revisions are determined. If a loss is projected on any contract in process, the entire projected loss is recognised immediately.

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

In terms of contracts, excess / shortfall of revenue over the billed as at the year end is carried in financial statement as unbilled revenue / unearned revenue separately.

Sale of products

Revenue from the sale of product (software and hardware) is recognised when the significant risks and rewards associated with the ownership is transferred to the buyer.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(i) Foreign currency translation

Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the Period/year in which they arise.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts (except outstanding against firm commitments and highly probable forecast transaction) is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(v) Translation of Integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

(j) Employee benefits

(i) Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

(ii) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include bonus and performance incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

(iii) The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(iv) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year on projected unit credit method. The gratuity plan is funded. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets, if any.

(v) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(vi) Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

(k) Income taxes

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax regulations applicable to the Company in India and foreign jurisdiction.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises the unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(n) Provision

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the management's current estimates.

(o) Segment reporting

Identification of segments:
The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the major customers of the Company operate and / or the area in which the assets are located.

Inter segment transfers:
The Company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:
The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(p) Accounting for derivatives (Also refer note 36)

The Company uses foreign exchange forward contracts (derivative financial instrument) to hedge its exposure to movements in foreign exchange rates against firm commitment or highly probable forecast transactions. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value on a mark-to-market basis at each balance sheet date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the statement of profit and loss.

The mark-to-market is the difference between the forward exchange rate and the contract rate. The forward exchange rate is referenced to current forward exchange rates for contracts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as:
- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges
The change in the fair value of a hedging derivative is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts taken to equity are transferred to the statement of profit and loss when the hedged transaction

affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in equity are transferred to the statement of profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction or firm commitment occurs.

(q) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement on balance sheet date comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(s) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3. Share capital

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Authorised shares		
200,000,000 (Previous year 200,000,000) equity shares of Re. 1 each	**200,000,000**	**200,000,000**
Issued, subscribed and fully paid up- shares		
123,952,925 (Previous year 123,870,425) equity shares of Re. 1 each	123,952,925	123,870,425
Less: Advance to R Systems Employees Welfare Trust [refer note 32 (a)]	738,980	738,980
Total	**123,213,945**	**123,131,445**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at December 31, 2017		As at December 31, 2016	
	No.	Rs.	No.	Rs.
Shares outstanding at the beginning of the year	123,870,425	123,870,425	126,870,425	126,870,425
Add: Shares issued during the year #	82,500	82,500	-	-
Less: Shares bought back during the year	-	-	3,000,000	3,000,000
Shares outstanding at the end of the year	**123,952,925**	**123,952,925**	**123,870,425**	**123,870,425**

The Company has issued 82,500 (previous year Nil) equity shares of Re. 1 each at an exercise price of Rs. 12.07 per share pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007 [refer note 32 (b)].

b. Terms / rights attached to the equity share

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates

The Company does not have any holding / ultimate holding company.

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at December 31, 2017	As at December 31, 2016
Aggregate number of shares bought back	3,678,155	3,678,155

e. Details of shareholders holding more than 5% shares in the Company

Particulars	As at December 31, 2017		As at December 31, 2016	
	No.	% holding in the class	No.	% holding in the class
GM Solutions Private Limited*	29,746,353	24.00	29,746,353	24.01
RightMatch Holdings Limited	9,076,218	7.32	9,076,218	7.33
Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)	12,150,731	9.80	12,150,731	9.81
Bhavook Tripathi	43,861,539	35.39	44,330,059	35.79

As per secretarial records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

* GMU Infosoft Private Limited and U Infosoft Private Limited have been amalgamated into GM Solutions Pvt. Ltd. with effect from October 01, 2016 (the appointed date) as per scheme of amalgamation approved by the National Company Law Tribunal, New Delhi vide order dated April 24, 2017.

f. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plans (ESOP) of the Company, please refer note 32 (a) to 32 (e).

4. Reserves and surplus

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Capital redemption reserve	16,336,355	13,336,355
Add: Amount transferred from general reserve towards shares buy back [refer note 1 below]	-	3,000,000
Closing balance	**16,336,355**	**16,336,355**
Securities premium account	711,933,674	903,933,674
Add: Addition on exercise of vested options as per ESOP plan [refer note 32 (b)]	2,765,025	-
Less: Utilisation of securities premium on buy back of shares [refer note 1 below]	-	192,000,000
	714,698,699	711,933,674
Less: Advance to R Systems Employees Welfare Trust [refer note 32 (a)]	2,282,728	2,282,728
Closing balance	**712,415,971**	**709,650,946**
Stock Options Outstanding		
Balance as per last financial statements	2,589,490	-
Add: Compensation for option granted during the year [refer note 32 (e)]	2,614,858	2,589,490
Less : Amount transferred to securities premium account on issue of shares against ESOP	1,851,750	-
Closing balance	**3,352,598**	**2,589,490**
General reserve		
Balance as per last financial statements	153,803,868	156,803,868
Less: Amount transferred to capital redemption reserve towards shares buy back [refer note 1 below]	-	3,000,000
Closing balance	**153,803,868**	**153,803,868**
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,197,939,623	785,801,616
Add: Profit for the current year	238,829,974	412,138,007
Net surplus in the statement of profit and loss	**1,436,769,597**	**1,197,939,623**
Total	**2,322,678,389**	**2,080,320,282**

Note:
(1) The Company had issued Public Announcement dated September 15, 2016, for buy-back of equity shares of face value of Re. 1/- each from its existing shareholders as on the record date September 30, 2016 on a proportionate basis through "Tender Offer" route in accordance with the applicable provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Companies Act, 2013 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 195,000,000. Under the Buy-back offer, the Company had bought back 3,000,000 equity shares for an aggregate amount of Rs. 195,000,000 by utilising the Securities Premium Account to the extent of Rs. 192,000,000 and General Reserve to the extent of Rs. 3,000,000. The Capital Redemption Reserve was created out of General Reserve for Rs. 3,000,000 being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The aforesaid buy-back was completed on November 29, 2016.

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5. Long-term borrowings

Particulars	Non - current portion		Current maturities	
	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Term loans for motor vehicles (secured)				
- From non banking financial corporation (refer note 1 below)	5,239,342	8,424,731	4,326,500	5,017,072
Other loans and advances (unsecured)				
- Finance lease obligation (refer note 2 below)	10,608,385	10,721,641	175,649	158,359
Total	**15,847,727**	**19,146,372**	**4,502,149**	**5,175,431**
The above amount includes				
Secured borrowings	5,239,342	8,424,731	4,326,500	5,017,072
Amount shown under other current liabilities (refer note 8)	-	-	(4,326,500)	(5,017,072)
Unsecured borrowings	10,608,385	10,721,641	175,649	158,359
Amount shown under other current liabilities (refer note 8)	-	-	(175,649)	(158,359)
Total	**15,847,727**	**19,146,372**	**-**	**-**

Notes:
(1) Term loans for motor vehicles are secured by hypothecation of underlying motor vehicles and carries interest rate ranging from 8.34% to 11.94% per annum. The term loans are repayable in equated monthly instalments ranging from 35 to 60 months from the date of loan.

(2) Finance lease obligation is unsecured. The interest rate implicit in aforesaid lease is 11.9% per annum. The lease obligation are repayable in 180 months from the date of lease.

6. Other long-term liabilities

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Security deposits received	2,232,357	10,298,158
Total	**2,232,357**	**10,298,158**

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7. Provisions

Particulars	Long-term		Short-term	
	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Provision for employee benefits				
Gratuity (refer note 35)	91,183,552	89,424,532	3,586,274	2,537,775
Compensated absences	-	-	82,636,953	75,548,377
Sub total (A)	**91,183,552**	**89,424,532**	**86,223,227**	**78,086,152**
Other provisions				
Income tax [net of advance tax amounting to Rs. 347,173,131 (Previous year Rs. 406,871,190)]	-	-	36,062,845	42,395,749
Sub total (B)	**-**	**-**	**36,062,845**	**42,395,749**
Total (A+B)	**91,183,552**	**89,424,532**	**122,286,072**	**120,481,901**

8. Other current liabilities

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Trade payables		
Trade payables dues to micro enterprises and small enterprises (refer note 30)	-	-
Trade payables other than dues to micro enterprises and small enterprises	150,577,235	157,734,337
Sub total (A)	**150,577,235**	**157,734,337**
Other liabilities		
Payable to subsidiary companies	14,170,074	16,826,929
Current maturities of long-term borrowing (includes current maturity of finance lease obligation) (refer note 5)	4,502,149	5,175,431
Unearned revenues	181,354,076	61,288,020
Investor education and protection fund (not due) - Unclaimed dividend	2,427,477	2,575,014
Payable for purchase of fixed assets	270,000	10,781,503
Security deposits received	9,878,464	2,327,930
Others		
Tax deducted at source	10,306,643	10,809,360
Service tax	-	1,433,623
GST payable	2,196,027	-
PF payable	5,598,752	5,247,182
Others payables	3,460,944	3,527,826
Sub total (B)	**234,164,606**	**119,992,818**
Total (A+B)	**384,741,841**	**277,727,155**

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R SYSTEMS INTERNATIONAL LIMITED
Notes to the Standalone Financial Statements for the year ended December 31, 2017

9. Tangible assets

(Amount in Rs.)

Particulars	Land - leasehold	Building - leasehold [1]	Plant & Machinery	Computers	Office equipments	Electrical Installaions	Furniture and fittings [3]	Vehicles [2]	Total
Gross block									
As at January 1, 2016	10,005,968	89,165,701	40,393,559	239,672,538	29,349,857	17,745,207	72,817,717	44,830,019	543,980,566
Additions	-	1,908,014	907,875	46,937,095	3,695,975	349,350	16,239,602	11,962,092	82,000,003
Deletions	-	(762,858)	-	(10,652,776)	(1,158,997)	-	(726,929)	(8,579,975)	(21,881,535)
At December 31, 2016	10,005,968	90,310,857	41,301,434	275,956,857	31,886,835	18,094,557	88,330,390	48,212,136	604,099,034
Additions	-	27,140	19,682,504	51,302,499	2,977,533	1,653,210	742,657	2,746,558	79,132,101
Deletions	-	-	(5,887,798)	(9,265,654)	(970,949)	-	-	(4,155,198)	(20,279,599)
At December 31, 2017	**10,005,968**	**90,337,997**	**55,096,140**	**317,993,702**	**33,893,419**	**19,747,767**	**89,073,047**	**46,803,496**	**662,951,536**
Depreciation									
As at January 1, 2016	1,897,461	18,282,637	20,782,616	163,859,033	19,053,450	13,199,686	59,521,521	15,614,814	312,211,218
Charge for the year	164,594	3,803,200	3,682,211	33,488,819	4,169,093	3,208,458	10,134,628	5,752,318	64,403,321
Deletions	-	(11,881)	-	(10,563,428)	(1,158,967)	-	(597,751)	(6,570,291)	(18,902,318)
At December 31, 2016	2,062,055	22,073,956	24,464,827	186,784,424	22,063,576	16,408,144	69,058,398	14,796,841	357,712,221
Charge for the year	164,594	3,826,021	4,299,619	41,591,247	3,888,497	1,050,088	4,068,349	5,729,258	64,617,673
Deletions	-	-	(5,380,012)	(9,265,349)	(952,082)	-	-	(2,230,767)	(17,828,210)
At December 31, 2017	**2,226,649**	**25,899,977**	**23,384,434**	**219,110,322**	**24,999,991**	**17,458,232**	**73,126,747**	**18,295,332**	**404,501,684**
Net block									
At December 31, 2016	**7,943,913**	**68,236,901**	**16,836,607**	**89,172,433**	**9,823,259**	**1,686,413**	**19,271,992**	**33,415,295**	**246,386,813**
At December 31, 2017	**7,779,319**	**64,438,020**	**31,711,706**	**98,883,380**	**8,893,428**	**2,289,535**	**15,946,300**	**28,508,164**	**258,449,852**

Notes:

(1) Includes Rs. 21,155,390 (Previous year Rs. 21,155,390) paid towards land and building under a composite lease taken in earlier year for which no separate values are assignable.

(2) Vehicles amounting to Rs. 23,772,215 (Previous year Rs. 27,735,119) are hypothecated against terms loans for vehicle finance from non banking financial corporation.

(3) Furniture and fittings includes assets on finance lease : Gross block as at December 31, 2017 Rs. 11,000,000 (previous year Rs. 11,000,000), Depreciation charge for the year Rs. 10,95,417 (previous year Rs. 45,833), Accumulated depreciation as at December 31, 2017 Rs. 11,41,250 (previous year Rs. 45,833) and Net book value as at December 31, 2017 Rs. 9,858,750 (previous year Rs. 10,954,167).

10. Intangible assets (Amount in Rs.)

Particulars	**Softwares**
Gross block	
As at January 1, 2016	129,968,325
Additions	3,484,177
Deletions	(5,246,802)
At December 31, 2016	128,205,700
Additions	6,665,727
Deletions	-
At December 31, 2017	**134,871,427**
Amortisation	
As at January 1, 2016	124,606,713
Charge for the year	3,426,008
Deletions	(5,246,793)
At December 31, 2016	122,785,928
Charge for the year	7,646,024
Deletions	-
At December 31, 2017	**130,431,952**
Net block	
At December 31, 2016	**5,419,772**
At December 31, 2017	**4,439,475**

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11.1 Non-current investments

Particulars	As at December 31, 2017 Rs.		As at December 31, 2016 Rs.	
Non-trade, unquoted (valued at cost unless stated otherwise)				
(i) 2,500 (Previous year 2,500) equity shares of Rs. 10 each fully paid up in The Saraswat Co-operative Bank Limited		25,000		25,000
(ii) 8,755 (Previous Year 17,512) 8% compulsorily redeemable debentures of Rs. 10,000 each in Indus Software Technologies Private Limited [refer note 31 (a)]		87,550,000		175,120,000
Investment property (at cost less accumulated depreciation)				
Cost of land and building given on operating lease	35,963,972		35,963,972	
Less: Accumulated depreciation	(11,179,838)	24,784,134	(9,706,016)	26,257,956
Sub total (A)		**112,359,134**		**201,402,956**
In subsidiary companies:				
Trade, unquoted, fully paid up (valued at cost unless stated otherwise)				
(i) Investment in R Systems (Singapore) Pte. Ltd., Singapore				
5,780,768 (Previous year 5,570,925) ordinary shares of "no par" value		274,564,210		257,834,210
(ii) Investment in R Systems, Inc., USA				
2,150 (Previous year 2,150) shares of "no par" value		281,174,980		281,174,980
(iii) Investment in R Systems Technologies Limited, USA				
243,750 (Previous year 243,750) common stock of US$1 each fully paid up	10,785,738		10,785,738	
Less: Provision for diminution in the value of investment	(10,784,738)	1,000	(10,784,738)	1,000
(iv) Investment in ECnet Limited, Singapore				
63,891,260 (Previous year 63,891,260) ordinary shares of "no par" value	36,333,962		36,333,962	
Less: Provision for diminution in the value of investment	(5,525,000)	30,808,962	(5,525,000)	30,808,962
(v) Investment in Computaris International Limited, UK				
66,500 (Previous year 66,500) ordinary shares of GBP 0.01 each fully paid up		350,631,695		350,631,695
(vi) Investment in RSYS Technologies Limited, Canada		5,039,560		5,039,560
200 (Previous year 200) Class A common shares of CAD 1 each fully paid up				
25 (Previous year 25) Class B preferred shares of CAD 3,992 each fully paid up				
Sub total (B)		**942,220,407**		**925,490,407**
Total (A+B)		**1,054,579,541**		**1,126,893,363**
Aggregate amount of unquoted investments (net of provision)		1,054,579,541		1,126,893,363
Aggregate provision for diminution in value of investments		16,309,738		16,309,738

11.2 Current investments

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
A. Current portion of non-current investments		
Non-trade, unquoted (valued at cost unless stated otherwise)		
8,757 (Previous year 8,757) 8% compulsorily redeemable debentures of Rs. 10,000 each in Indus Software Technologies Private Limited [refer note 31 (a)]	87,570,000	87,570,000
B. Other current investments		
Non-trade, quoted mutual funds (valued at cost or fair value, which ever is lower)#		
Investment in SBI Premier Liquid Fund [9,237 units (Previous year Nil) of Rs. 2598.25 each]	24,000,000	-
Investment in HDFC Liquid Fund [7,349 units (Previous year Nil) of Rs. 3,265.75 each]	24,000,000	-
Total	**135,570,000**	**87,570,000**

#Aggregate amount of quoted investments [Market value of Rs. 49,306,283 (Previous year Rs. Nil)].

12. Deferred tax assets (net)

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Deferred tax assets		
Provision for gratuity	32,797,941	31,826,315
Provision for compensated absences	28,598,997	26,145,782
Provision for doubtful debts and advances	2,367,622	305,104
Other timing differences	4,697,442	4,697,442
Gross deferred tax assets	**68,462,002**	**62,974,643**
Deferred tax liability		
Differences in depreciation / amortisation and other differences in block of fixed assets as per tax books and financial books	15,472,665	19,317,347
Gross deferred tax liability	**15,472,665**	**19,317,347**
Deferred tax assets (net)	**52,989,337**	**43,657,296**

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13. Loans and advances

Particulars	Non-current		Current	
	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Capital advances				
Unsecured, considered good	30,200	10,289,873		
Sub total (A)	**30,200**	**10,289,873**		
Advances recoverable in cash or in kind or for value to be received				
Unsecured, considered good	9,390,897	16,328,984	59,375,874	39,191,152
Sub total (B)	**9,390,897**	**16,328,984**	**59,375,874**	**39,191,152**
Loans and advances to related parties				
Unsecured, considered good				
Advance recoverable from subsidiaries:				
R Systems, Inc., USA			9,891,151	1,470,498
ECnet Limited, Singapore			120,488	67,925
R Systems (Singapore) Pte Ltd, Singapore			94,812	-
RSYS Technologies Limited, Canada			44,486	358,093
IBIZ Consulting Pte Ltd, Singapore			93,856	-
Computaris International Limited, U.K.			233,631	-
Sub total (C)			**10,478,424**	**1,896,516**
Security deposits				
Unsecured, considered good	15,314,178	16,060,028	1,789,911	799,676
Sub total (D)	**15,314,178**	**16,060,028**	**1,789,911**	**799,676**
Other loans and advances				
Unsecured, considered good				
Mark-to-market gain on derivative instruments (refer note 36)	-	-	16,330,171	26,417,667
Balances with indirect tax authorities	-	-	18,546,250	21,879,475
Advance fringe benefit tax [net of provisions amounting to Rs. 7,082,336 (Previous year Rs. 7,082,336)]	167,664	167,664	-	-
Advance income taxes [net of provisions amounting to Rs. 371,132,578 (Previous year Rs. 435,878,188)]	22,305,723	28,759,935	-	-
Sub total (E)	**22,473,387**	**28,927,599**	**34,876,421**	**48,297,142**
Total (A+B+C+D+E)	**47,208,662**	**71,606,484**	**106,520,630**	**90,184,486**

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14. Trade receivables and other assets

14.1 Trade receivables

Particulars	Current	
	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	11,959,188	135,850
Unsecured, considered doubtful	5,294,982	-
	17,254,170	135,850
Provision for doubtful receivables	(5,294,982)	-
Sub total (A)	**11,959,188**	**135,850**
Other trade receivables		
Unsecured, considered good	557,321,861	500,707,128
Unsecured, considered doubtful	1,387,876	881,673
	558,709,737	501,588,801
Provision for doubtful receivables	(1,387,876)	(881,673)
Sub total (B)	**557,321,861**	**500,707,128**
Total (A+B)	**569,281,049**	**500,842,978**

Trade receivables include:

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
From subsidiary companies		
R Systems, Inc., USA	5,422,860	7,569,562
ECnet Limited, Singapore	9,904,551	13,880,797
Computaris International Limited, U.K.	1,914,196	6,394,787
RSYS Technologies Limited, Canada	658,468	-

14.2 Other assets

Particulars	Non-current		Current	
	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Non-current bank balances (refer note 15)	44,956,828	48,170,299		
Interest accrued				
Fixed deposits	1,641,055	5,118,737	4,930,243	555,458
Compulsorily redeemable debentures (refer note 11.1 & 11.2)	-	-	3,204,323	4,965,130
Unbilled revenues	-	-	48,063,264	60,792,589
Total	**46,597,883**	**53,289,036**	**56,197,830**	**66,313,177**

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15. Cash and bank balances

Particulars	Non-current		Current	
	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Cash and cash equivalents				
Cash on hand			66,893	118,081
Balances with scheduled banks:				
On current accounts			33,682,638	16,381,515
On EEFC accounts			99,324,522	95,304,632
On deposit accounts with original maturity of less than 3 months			189,708,954	231,371,395
On unclaimed dividend			2,427,477	2,575,014
Balance with other banks:				
On current account with California Bank & Trust			19,867,345	49,129,009
			345,077,829	**394,879,646**
Other bank balances				
Deposits with original maturity for more than 12 months	-	-	8,261,218	7,200,000
Deposits with original maturity for more than 3 months but less than 12 months	-	-	377,010,577	-
Margin money deposits (refer details below)	44,956,828	48,170,299	-	-
	44,956,828	**48,170,299**	**385,271,795**	**7,200,000**
Amount disclosed under non-current assets (refer note 14.2)	(44,956,828)	(48,170,299)	**-**	-
Total	**-**	-	**730,349,624**	**402,079,646**

Detail of margin money deposits

Particulars	As at December 31, 2017 Rs.	As at December 31, 2016 Rs.
Margin money deposits against performance guarantees	24,351,822	27,502,698
Margin money deposits against credit / derivative facilities	20,605,006	20,667,601
Total	**44,956,828**	**48,170,299**

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16. Revenue from operations

Particulars	For the year ended	
	December 31, 2017 Rs.	December 31, 2016 Rs.
Sales of services (refer note 23)	2,637,512,996	2,631,768,945
Total	**2,637,512,996**	**2,631,768,945**

Note: Revenue amounting to Rs. 24,001,962 (previous year Rs. 12,299,968) has been deferred till the time the realisation becomes reasonably certain.

17. Other income

Particulars	For the year ended	
	December 31, 2017 Rs.	December 31, 2016 Rs.
Interest income		
- on bank deposits	35,654,507	24,651,372
- on debenture (refer note 11.1 & 11.2)	17,502,993	24,686,191
- on others	6,109,292	7,234,030
Rental income from investment property (refer note 11.1)	6,399,996	6,399,996
Provision for doubtful debts and advances written back (net)	-	2,310,137
Foreign exchange fluctuation (net)	64,822,802	52,383,308
Profit on sale / discard of fixed assets (net)	324,858	-
Liability no longer required written back	2,526,059	5,146,585
Miscellaneous income	405,104	855,542
Total	**133,745,611**	**123,667,161**

18. Employee benefits expense

Particulars	For the year ended	
	December 31, 2017 Rs.	December 31, 2016 Rs.
Salaries, wages and bonus	1,738,853,306	1,541,007,455
Gratuity (refer note 35)	12,614,224	35,758,695
Contribution to provident fund and other funds	67,758,035	56,421,518
Staff welfare expenses	36,823,275	29,990,874
Total	**1,856,048,840**	**1,663,178,542**

19. Operational and other expenses

Particulars	For the year ended	
	December 31, 2017 Rs.	December 31, 2016 Rs.
Power and fuel	40,801,081	40,689,672
Rent - premises	31,443,661	23,790,777
Rent - equipments	3,361,055	3,662,365
Rates and taxes	802,324	975,348
Insurance	7,195,746	6,845,699
Repair and maintenance		
- Buildings	1,075,776	1,059,370
- Software	47,524,790	39,415,285
- Others	32,585,271	32,265,029
Advertising and sales promotion	7,064,951	4,191,121
Commission	14,191,894	6,039,509
Traveling and conveyance	140,264,161	145,164,676
Communication costs	56,905,046	53,835,738
Printing and stationery	2,938,347	3,066,766
Legal and professional fees	51,000,461	58,217,743
Directors' sitting fee	825,000	700,000
Auditors' remuneration (refer detail below)	3,704,649	5,146,848
Provision for doubtful debts and advances (net)	6,667,621	-
Bad debts and advances written off [net of Rs. 707,964 (previous year Rs. 11,389,741) utilisation from provision for doubtful debts and advances]	-	2,700
Loss on sale / discard of fixed assets (net)	-	668,634
Recruitment and training expenses	7,915,364	8,942,786
Security expenses	7,497,994	6,873,456
Membership and subscription	9,999,261	7,434,256
Contributions towards corporate social responsibility (refer note 25)	2,460,000	1,500,000
Miscellaneous expenses	2,079,466	1,376,419
Total	**478,303,919**	**451,864,197**

Detail of auditors remuneration

Particulars	For the year ended	
	December 31, 2017 # Rs.	December 31, 2016 Rs.
As auditor:		
- Audit fee		
- Statutory audit fee	1,380,000	1,942,500
- Quarterly audit/ limited review fee	2,025,000	1,845,000
- Out-of-pocket expenses	259,649	191,848
In other capacity:		
- Certification	40,000	1,167,500
Total	**3,704,649**	**5,146,848**

includes Rs. 728,819 pertaining to erstwhile statutory auditors of the Company.

20. Depreciation and amortisation expense

Particulars	For the year ended	
	December 31, 2017 Rs.	December 31, 2016 Rs.
Depreciation on tangible assets	64,617,673	64,403,321
Amortisation on intangible assets	7,646,024	3,426,008
Depreciation on investment property	1,473,822	1,473,822
Total	**73,737,519**	**69,303,151**

21. Finance costs

Particulars	For the year ended	
	December 31, 2017 Rs.	December 31, 2016 Rs.
Interest expenses	2,378,740	1,341,249
Interest under income tax	382,543	-
Bank charges	3,570,333	2,342,388
Total	**6,331,616**	**3,683,637**

22. Exceptional items

Particulars	For the year ended	
	December 31, 2017 Rs.	December 31, 2016 Rs.
Profit on sale of investment [refer note 31 (a)]	-	37,174,220
Profit on sale of undertaking [refer note 31 (b)]	-	9,173,022
Total	**-**	**46,347,242**

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23. Segment information

Business segments:

The Company considers business segment as the basis for primary segmental reporting. The Company is organised into two business segments – Information technology services and Business process outsourcing services. Costs and expenses which cannot be allocated to any business segment are reflected in the column 'corporate and others'. Segments have been identified and reported based on the nature of the services, the risks and returns, the organisation structure and the internal financial reporting system.

Geographical segments:

The Company reports secondary segment information on the basis of the geographical location of the customers / assets. Although the Company's major operating divisions are managed on a worldwide basis, they operate in five principal geographical areas of the world which are: India, United States of America, South East Asian countries, Europe and Other areas.

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The following table provides required information for the primary segments for the year ended December 31, 2017 and December 31, 2016:

(Amount in Rs.)

Particulars	Information technology services		Business process outsourcing services		Corporate and others		Total	
	Year ended December 31,		Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
External sales	2,153,278,083	2,179,514,470	484,234,913	452,254,475			2,637,512,996	2,631,768,945
Total revenue	**2,153,278,083**	**2,179,514,470**	**484,234,913**	**452,254,475**			**2,637,512,996**	**2,631,768,945**
RESULT								
Segment result	308,750,517	516,357,505	40,198,634	48,843,023			348,949,151	565,200,528
Unallocated corporate expenses					(55,017,943)	(59,424,289)	(55,017,943)	(59,424,289)
Operating profit							**293,931,208**	**505,776,239**
Interest expenses					(2,761,283)	(1,341,249)	(2,761,283)	(1,341,249)
Interest income					59,266,792	56,571,593	59,266,792	56,571,593
Other unallocable income					6,399,996	6,399,996	6,399,996	6,399,996
Exceptional items (refer note 22)					-	46,347,242	-	46,347,242
Income taxes expense					(118,006,739)	(201,615,814)	(118,006,739)	(201,615,814)
Net profit							**238,829,974**	**412,138,007**

The following table provides required information for the primary segments As At December 31, 2017 and December 31, 2016:

(Amount in Rs.)

Particulars	Information technology services		Business process outsourcing services		Elimination		Corporate and others		Total	
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
OTHER INFORMATION										
Segment assets	865,545,145	808,211,426	229,455,102	187,688,246	74,749,456	31,675,243			1,020,250,791	964,224,429
Unallocated corporate assets							1,966,470,368	1,683,720,521	1,966,470,368	1,683,720,521
Income tax assets							75,462,724	72,584,895	75,462,724	72,584,895
Total assets	**865,545,145**	**808,211,426**	**229,455,102**	**187,688,246**	**74,749,456**	**31,675,243**	**2,041,933,092**	**1,756,305,416**	**3,062,183,883**	**2,720,529,845**
Segment liabilities	588,227,609	444,200,636	54,609,679	49,868,567	74,749,456	31,675,243			568,087,832	462,393,960
Unallocated corporate liabilities							12,140,872	12,288,409	12,140,872	12,288,409
Income tax liabilities							36,062,845	42,395,749	36,062,845	42,395,749
Total liabilities	**588,227,609**	**444,200,636**	**54,609,679**	**49,868,567**	**74,749,456**	**31,675,243**	**48,203,717**	**54,684,158**	**616,291,549**	**517,078,118**
Capital expenditures	48,058,701	120,736,776	1,192,660	808,186					49,251,361	121,544,962
Depreciation and amortisation	67,919,153	62,625,714	5,818,366	6,677,437					73,737,519	69,303,151
Other non-cash expenses / (written back)	9,020,615	950,687	(62,995)	-					8,957,620	950,687

Geographical segments:

The Company reports secondary segment information on the basis of the geographical location of the customers / assets. The management views the domestic and export markets as distinct geographical segments.

The following is the distribution of the Company's revenue by geographical area in which customers are located:

	For the year ended December 31,	
	2017	**2016**
	Rs.	**Rs.**
India	86,498,868	76,185,907
USA	1,823,189,994	1,837,929,751
South East Asia	36,558,594	41,650,328
Europe	635,672,677	551,824,690
Others	55,592,863	124,178,269
Total	**2,637,512,996**	**2,631,768,945**

Assets and additions to fixed assets by geographical area:

The following table shows the carrying amount of assets and additions to fixed assets (including capital advances) by geographical area in which assets are located:

	Carrying amount of assets as at December 31,		Additions to fixed assets for the year ended December 31,	
	2017	**2016**	**2017**	**2016**
	Rs.	**Rs.**	**Rs.**	**Rs.**
India	1,518,565,866	1,222,026,127	49,006,280	121,252,476
USA	702,007,176	712,768,996	245,081	292,486
South East Asia	316,866,608	304,798,051	-	-
Europe	514,565,384	456,327,425	-	-
Others	10,178,849	24,609,246	-	-
Total	**3,062,183,883**	**2,720,529,845**	**49,251,361**	**121,544,962**

24. Related Party Disclosures

(i) Names of related parties:

Names of related parties where control exists:

Subsidiaries	R Systems (Singapore) Pte Ltd, Singapore R Systems, Inc., USA R Systems Technologies Limited, USA ECnet Ltd, Singapore Computaris International Limited, U.K. RSYS Technologies Limited, Canada **Following are the subsidiaries of ECnet Ltd, Singapore** • ECnet (M) Sdn Bhd, Malaysia • ECnet Systems (Thailand) Co. Ltd., Thailand • ECnet (Shanghai) Co. Ltd., People's Republic of China • ECnet (Hong Kong) Ltd., Hong Kong • ECnet, Inc., USA • ECnet Kabushiki Kaisha, Japan **Following are the subsidiaries of Computaris International Limited, U.K.** • Computaris Romania Srl, Romania • Computaris Polska sp z o.o., Poland • ICS Computaris International Srl, Moldova • Computaris Malaysia Sdn. Bhd., Malaysia • Computaris USA, Inc., USA • Computaris Philippines Pte. Ltd. Inc., Phillippines (incorporated on May 23, 2016) **Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore** • IBIZ Consulting Pte. Ltd., Singapore (formerly known as IBIZCS Group Pte Ltd) with the following step down subsidiaries ➢ IBIZ Consulting Services Pte Ltd, Singapore ➢ IBIZ Consulting Services Sdn. Bhd., Malaysia ➢ PT. IBIZCS Indonesia., Indonesia ➢ IBIZ Consultancy Services India Private Limited, India ➢ IBIZ Consulting Services Limited, Hong Kong ➢ IBIZ Consulting Services (Shanghai) Co., Ltd, People's Republic of China

Names of other related parties with whom transactions have taken place during the year:

Key management personnel	Satinder Singh Rekhi, Managing Director Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director Avirag Jain*, Director & Chief Technology Officer (appointed as director w.e.f. August 3, 2017) Nand Sardana, Chief Financial Officer Ashish Thakur, Company Secretary & Compliance Officer
* Avirag Jain joined the Company on Sep 15, 1997.	
Entity having significant influence over the Company	GM Solutions Private Limited* U Infosoft Private Limited* GMU Infosoft Private Limited*
* GMU Infosoft Private Limited and U Infosoft Private Limited have been amalgamated into GM Solutions Pvt. Ltd. with effect from October 01, 2016 (the appointed date) as per scheme of amalgamation approved by the National Company Law Tribunal, New Delhi vide order dated April 24, 2017.	
Relatives of Key management Personnel	Harpreet Rekhi, (related to Satinder Singh Rekhi) Sartaj Singh Rekhi, (related to Satinder Singh Rekhi) Amrita Kaur, (related to Satinder Singh Rekhi), Assistant Manager – Business Development Ramneet Singh Rekhi, (related to Satinder Singh Rekhi) Mandeep Singh Sodhi, [related to Lt. Gen. Baldev Singh (Retd.)], Vice President – Sales
Enterprises where key management personnel or their relatives exercise significant influence	RightMatch Holdings Limited Satinder and Harpreet Rekhi Family Trust

(ii) Details of transactions with related parties for the year ended December 31, 2017 and December 31, 2016:

(Amount in Rs.)

	Year ended December 31,	
	2017	**2016**
Revenue from information technology and BPO services rendered to		
ECnet Ltd, Singapore	36,558,594	41,206,651
R Systems, Inc., USA	41,009,531	51,656,564
RSYS Technologies Limited, Canada	656,762	-
IBIZ Consulting Services Pte Ltd, Singapore	-	288,061
Computaris International Limited, U.K.	30,354,268	32,590,211
Total	**108,579,155**	**125,741,487**
Commission on sales and marketing services received from		
RSYS Technologies Limited, Canada	7,087,808	-
Total	**7,087,808**	-
Travel and other expenses reimbursed by the Company to		
ECnet Ltd, Singapore	523,220	1,376,972
R Systems, Inc., USA	39,085,426	34,155,370
R Systems (Singapore) Pte Ltd, Singapore	9,764,445	11,339,887
Total	**49,373,091**	**46,872,229**
Travel and other expenses reimbursed to the Company by		
ECnet Ltd, Singapore	3,455,382	2,362,175
R Systems, Inc., USA	7,617,786	7,823,606
R Systems (Singapore) Pte Ltd, Singapore	247,582	315,000
RSYS Technologies Limited, Canada	91,388	413,788
IBIZ Consulting Pte Ltd, Singapore	93,835	-
IBIZ Consulting Services Pte Ltd, Singapore	133,139	125,000
Computaris International Limited, U.K.	951,630	2,206,572
Total	**12,590,742**	**13,246,141**
Reimbursement to the Company for purchase of assets on behalf of		
R Systems, Inc., USA	190,073	116,745
Computaris International Limited, U.K.	-	354,129
Total	**190,073**	**470,874**
Reimbursement by the Company for purchase of assets to		
R Systems, Inc., USA	39,774	219,424
Total	**39,774**	**219,424**
Investment in shares of subsidiary		
R Systems (Singapore) Pte Ltd, Singapore	16,730,000	48,155,136
RSYS Technologies Limited, Canada	-	5,027,924
Total	**16,730,000**	**53,183,060**

(Amount in Rs.)

	Year ended December 31,	
	2017	**2016**
Remuneration*		
Satinder Singh Rekhi	33,838,497	37,027,495
Lt. Gen. Baldev Singh (Retd.)	6,628,424	6,642,053
Avirag Jain (Effective August 03, 2017)	2,871,587	-
Mandeep Singh Sodhi	39,192,138	36,409,934
Nand Sardana	6,744,944	5,219,880
Ashish Thakur	1,155,628	883,124
Amrita Kaur	160,000	480,000
Total	**90,591,218**	**86,662,486**
Rent		
Satinder Singh Rekhi	7,742,364	7,968,654
Total	**7,742,364**	**7,968,654**
Shares buyback		
Satinder Singh Rekhi	-	1,796,860
Lt. Gen. Baldev Singh (Retd.)	-	189,605
Sartaj Singh Rekhi	-	8,234,460
Ramneet Singh Rekhi	-	6,964,555
Nand Sardana	-	71,630
Mandeep Singh Sodhi	-	962,390
GM Solutions Private Limited	-	40,876,290
RightMatch Holdings Ltd	-	12,725,830
Satinder and Harpreet Rekhi Family Trust	-	17,891,185
	-	**89,712,805**

* As the future liability for gratuity and long-term compensated absences is provided on an actuarial basis, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

(Amount in Rs.)

Balance outstanding	As at December 31,	
	2017	2016
Trade Receivables		
ECnet Ltd, Singapore	9,904,551	13,880,797
R Systems, Inc., USA	5,422,860	7,569,562
RSYS Technologies Limited, Canada	658,468	-
Computaris International Limited, UK	1,914,196	6,394,787
Total	**17,900,075**	**27,845,146**
Short-term loans and advances		
ECnet Ltd, Singapore	120,488	67,925
R Systems, Inc., USA	9,891,151	1,470,498
RSYS Technologies Limited, Canada	44,486	358,093
IBIZ Consulting Pte Ltd, Singapore	93,856	-
R Systems (Singapore) Pte Ltd, Singapore	94,812	-
Computaris International Limited, UK	233,631	-
Total	**10,478,424**	**1,896,516**
Other current liabilities		
ECnet Ltd, Singapore	261,962	85,798
R Systems, Inc., USA	11,551,779	14,044,305
R Systems (Singapore) Pte Ltd, Singapore	2,356,333	2,696,826
Total	**14,170,074**	**16,826,929**
Assets obtained free of cost on returnable basis		
R Systems, Inc., USA	11,273,954	21,558,962
R Systems (Singapore) Pte Ltd, Singapore	137,241	137,241
Total	**11,411,195**	**21,696,203**
Balance payable to key management personnel		
Satinder Singh Rekhi	4,964,335	7,038,750
Lt. Gen. Baldev Singh (Retd.)	1,408,122	1,278,448
Avirag Jain	1,083,677	-
Total	**7,456,134**	**8,317,198**

25. Corporate Social Responsibility (CSR)

As per the requirements of Section 135 of the Companies Act, 2013, the Company is required to spend an amount of 10,549,638 (Previous year Rs. 10,608,333) on CSR expenditure for the year December 31, 2017. Out of this, the Company has disbursed Rs. 2,460,000 (Previous year Rs. 1,500,000) in accordance with its Corporate Social Responsibility Policy.

26. Capital and other commitments

	As at December 31, 2017	As at December 31, 2016
	Rs.	Rs.
(i) Capital commitments: Estimated amount of unexecuted capital contracts [net of advances of Rs. 30,200 (previous year Rs. 10,289,873)]	1,450,015	6,152,320
(ii) Other commitments: For commitments relating to lease arrangements, refer note 28.		

27. Contingent liabilities

	As at December 31, 2017	As at December 31, 2016
	Rs.	Rs.
Performance guarantees given to Department of Telecommunication for Domestic and International 'Other Service Provider' licenses	20,000,000	20,000,000
Total	**20,000,000**	**20,000,000**

28. Leases

a) Finance Lease - Company as lessee

The Company has finance leases for furniture and fixture. Each renewal is at the option of the lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	Year ended December 31, 2017		Year ended December 31, 2016	
	MLP	Present value of MLP	MLP	Present value of MLP
Not later than one year	1,440,000	175,649	1,440,000	158,359
After one year but not more than five years	7,567,500	1,690,302	5,775,000	873,187
More than five years	13,905,000	8,918,071	17,077,500	9,848,454
Total minimum lease payments	22,912,500	10,784,022	24,292,500	10,880,000
Less: amounts representing finance charges	12,128,478	-	13,412,500	-
Present value of minimum lease payments	**10,784,022**	**10,784,022**	**10,880,000**	**10,880,000**

b) Operating Lease - Company as lessee

The Company has operating lease for office premises. The future minimum rentals payable under non-cancellable operating leases period as at year-end are as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
	Rs.	Rs.
Lease payments for the year	31,443,661	23,790,777
Non-cancellable operating lease obligation:		
Not later than one year	29,170,599	26,573,526
Later than one year but not later than five years	62,396,414	68,617,281
Later than five years	-	-

The operating lease arrangements extend for a maximum period of 5 years from their respective dates of inception. Some of the operating lease arrangements have price escalation and option of renewal clause as mutually agreed between the parties and there are no restrictions imposed on lease arrangements.

c) Operating Lease - Company as lessor

The Company has entered into an operating lease arrangement for its surplus land and building which has been classified under investment property. The future minimum rentals receivable under non-cancellable operating lease period as at year-end are as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
	Rs.	Rs.
Lease payments for the year	6,399,996	6,399,996
Non-cancellable operating lease		
Not later than one year	3,320,440	6,399,996
Later than one year but not later than five years	-	3,320,440

The operating lease arrangement extends for a maximum period of 3 years from their respective dates of inception and has price escalation clause of 5% for every subsequent 3 years of the extended term. There are no restrictions imposed on lease agreements.

29. Supplementary statutory information

29.1 (a) Directors' remuneration

	Year ended December 31, 2017	Year ended December 31, 2016
	Rs.	Rs.
Salaries, wages and bonus	42,984,651	43,391,628
Contribution to provident fund	353,857	277,920
Total	**43,338,508**	**43,669,548**

Note:

As the future liability for gratuity and long term compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

29.1 (b) Computation of net profit under Section 198 of the Companies Act, 2013 for calculation of managerial remuneration under Section 197of the Companies Act, 2013.

(Amount in Rs.)

Sl. No.	Particulars	Year ended December 31, 2017	Year ended December 31, 2016
	Profit after tax and before appropriation	238,829,974	412,138,007
	Add:		
(i)	Loss on fixed assets sold / discarded	-	668,634
(ii)	Provision for doubtful debts / advances (net)	6,667,621	-
(iii)	Tax for the year	118,006,739	201,615,814
(iv)	Depreciation and amortisation as per books of accounts	73,737,519	69,303,151
	Less:		
(i)	Depreciation and amortisation	73,737,519	69,303,151
(ii)	Provision for doubtful debts / advances written back (net)	-	2,310,137
(iii)	Profit on sale of undertaking	-	9,173,022
(iv)	Profit on sale of Investment	-	37,174,220
(v)	Bad debts and advances written off	707,964	11,392,441
(vi)	Profit on fixed assets sold / discarded	324,858	-
	Net Profit for the year	362,471,512	554,372,635
	Add:		
	Remuneration paid to the whole time directors	43,338,508	43,669,548
	Net Profit for the purpose of managerial remuneration	**405,810,020**	**598,042,183**
	Overall maximum remuneration to all managerial personnel at 10% of the net profits as calculated above	40,581,002	59,804,218
	Overall maximum remuneration to individual managerial personnel at 5% of the net profits as calculated above	20,290,501	29,902,109

Notes:

1. Figures for the year ended December 31, 2017 and December 31, 2016 are as per provisions of the Companies Act, 2013.

2. The remuneration paid during the year ended December 31, 2017 and December 31, 2016, in excess of the limits specified in 29.1 (b) above has been approved by the Central Government.

29.2 Earnings in foreign currency (on accrual basis)

	Year ended December 31, 2017	Year ended December 31, 2016
	Rs.	Rs.
Sale of product and services	2,551,014,127	2,555,583,038
Interest income	-	6,300,600
Reimbursement of travel, communication and other costs*	35,021,891	33,010,310
Total	**2,586,036,018**	**2,594,893,948**

* Out of this Rs. 34,819,456 (previous year Rs. 29,746,845) is reimbursement for expenses and balance Rs. 202,435 (previous year Rs. 3,263,465) is reimbursement for purchase of fixed assets.

29.3 Expenditure in foreign currency (on accrual basis)

	Year ended December 31, 2017	Year ended December 31, 2016
	Rs.	Rs.
Traveling and conveyance	75,011,171	100,028,281
Commission-others	14,191,894	4,691,519
Employee benefits expense	176,692,052	174,700,539
Communication expenses	18,578,779	18,580,504
Income tax	13,545,346	15,429,453
Cost of reimbursable capital assets	-	642,927
Other miscellaneous expenses	45,959,174	42,249,451
Total	**343,978,416**	**356,322,674**

29.4 Value of imports calculated on CIF basis

	Year ended December 31, 2017	Year ended December 31, 2016
	Rs.	Rs.
Capital goods	25,603,039	62,281,965
Equipment received free of cost on returnable basis	1,077,621	4,246,878
Total	**26,680,660**	**66,528,843**

30. During the year ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. For the purpose of identification of such suppliers, the Company has sent confirmations to all its suppliers. Based upon the confirmations received so far and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	**As at December 31, 2017**	**As at December 31, 2016**
	Rs.	**Rs.**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

31. (a) On July 11, 2014, the Company had incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited (which was later converted into R Systems Products & Technologies Private Limited ("RSPTPL") on May 28, 2015). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 had accorded necessary approval for transfer of the Company's Indus Business Unit operated out of Pune and Chennai to RSPTPL.

The Company had entered into 'Business Transfer Agreement' (BTA) with RSPTPL on June 27, 2015 for the aforesaid transfer on a going concern basis by way of slump sale, for consideration of Rs. 783,900,000 to be discharged by RSPTPL through issuance of 60,000,003 equity shares of Re. 1/- each at a premium of Rs. 6.227333 per share and 35,026 compulsorily redeemable debentures of Rs. 10,000 each to be redeemed over a period of 4 years, on the terms and conditions agreed in BTA and Debenture Subscription Agreement.

The Company had also entered into 'Share Purchase Agreement' (SPA) with BD Capital Partners Ltd. ("BDC"), a Mauritius based company on June 27, 2015 to sell 93% of its equity share in RSPTPL to BDC for a consideration of Rs. 443,170,000 (USD 7 million). The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015. The name of RSPTPL was changed to Indus Software Technologies Private Limited (ISPTPL) w.e.f. August 19, 2015.

Subject to the satisfaction of certain conditions, BDC had also agreed to purchase the balance 7% equity shares for a consideration up to USD 1 million. During the year ended December 31, 2016, the Company had received consideration for the sale of balance 7% share in ISPTPL. The gain on sale of aforesaid equity shares amounts to Rs. 37,174,220 is disclosed as 'Exceptional items' in the financial statements for the year ended December 31, 2016.

(b) The Company had realized additional amounts of Rs. 9,173,022 towards the sale of Indus Business unit and disclosed as 'Exceptional items' in the financial statements for the year ended December 31, 2016.

(c) The consequent tax expense of aforesaid 'Exceptional items' amounting to Rs. 14,800,621 is included in the 'Current tax' in the financial statements for the year ended December 31, 2016.

32. (a) R Systems International Limited Employees Stock Option Plan – Year 2001 ('the plan')

Indus Software Private Limited ('Indus') had outstanding options aggregating 21,967 equity shares as on March 31, 2002, to be issued to the eligible employees under the R Systems International Limited Employees Stock Option Plan – Year 2001 under various vesting periods as specified in the said Plan, duly approved by the erstwhile shareholders. Indus had established "R Systems Employees Welfare Trust" ('the R Systems Trust') (formerly known as Indus Software Employees Welfare Trust") to administer the plan, as approved by the members, for the benefits of the Company's employees and had provided an interest free loan of Rs. 3,382,792. Consequently, Indus had allotted 21,967 equity shares of Rs. 10 each at a premium of Rs. 144 per equity share to the R Systems Trust to be further issued to the Indus' eligible employees on the exercise of the underlying options granted to them.

As a result of the merger of Indus with the Company, all employees had surrendered their options in favour of the R Systems Trust to enable them to obtain options for shares in R Systems International Limited after the merger. Also, the Company had issued 206,822 equity shares of Rs. 2 each at a premium of Rs. 113.42 per share to the R Systems Trust in exchange of 21,967 equity shares of Indus, apropos to the agreed swap ratio. During the earlier years out of the said 206,822 shares 22,079 shares were issued to the employees on exercise of options.

The Company had consolidated each of its five equity shares of Rs. 2 each into one equity share of Rs. 10 each on January 30, 2006 and then issued 1:1 bonus share to each of the then existing shareholder by utilisation of Securities Premium Account in terms of the provisions of Section 78 of the Companies Act, 1956 and further sub-division of each of the equity shares of Rs. 10 each into 10 equity shares of Re. 1 each as per record date of February 28, 2014, consequently the total number of shares issued are now 738,980 equity shares of Re. 1 each. Accordingly an amount of Rs. 738,980 and Rs. 2,282,728 is shown as deduction from Issued, subscribed and paid-up capital and Securities Premium Account respectively as suggested by the "Guidance Note on Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India.

The movement in the options (in equivalent number of shares of the Company) held by the Trust during the year ended December 31, 2017 and the year ended December 31, 2016 is set out below:

	Year ended December 31, 2017 (Nos.)	**Year ended December 31, 2016 (Nos.)**
At the beginning		
- Grants outstanding under the plan (Re. 1 per share)	-	-
- Grants pending determination by the Compensation Committee (Re. 1 per share)	738,980	738,980
During the year		
- Options granted (Re. 1 per share)	-	-
- Options exercised (Re. 1 per share)	-	-
- Options/grants lapsed or surrendered (Re. 1 per share)	-	-
At the end		
- Grants outstanding under the plan (Re. 1 per share)	-	-
- Grants pending determination by the Compensation Committee (Re.1 per share)	738,980	738,980

The Board of Directors at their meeting held on May 04, 2017, subject to the approval of National Company Law Tribunal, Delhi, have approved a Scheme of Arrangement for capital reduction of shares held by the R Systems Trust. The Scheme is under consideration before the relevant authorities.

(b) R Systems International Limited Employee Stock Option Scheme 2007 ('the plan')

During the year 2007, the Company had instituted the plan for all eligible employees as specified in the rules in pursuance of the special resolution duly approved by the shareholders. The plan provides for the issuance of 650,000 options to eligible employees as recommended by the Compensation Committee constituted for this purpose.

The plan is administered by a Compensation Committee and exercise price in respect of 632,500 options granted on July 11, 2007 is Rs. 120.70 being the latest available closing price, prior to the date of the meeting of the Board of Directors / Compensation Committee, on the stock exchange on which the shares of the Company are listed. Accordingly, the intrinsic value of Employee Stock Option is taken as Rs. Nil. Further, during the year ended December 31, 2014, the Company had sub-divided equity shares of Rs. 10 each into 10 equity shares of Re. 1 each, the exercise price is accordingly adjusted from Rs. 120.70 per share to Rs. 12.07 per share.

On the recommendation of the Compensation Committee and Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 30, 2016, had further granted 150,000 options at an exercise price of Rs. 12.07 /- per option under R Systems International Limited Employee Stock Option Scheme 2007.

The vesting period is 4 years (25% in each year) commencing from the date of grant under the plan. The eligible employees have an option to exercise it over a period of 10 years from the date of grant under the plan. The movement in the options during the year ended December 31, 2017 and year ended December 31, 2016 is set out below:

	Year ended December 31, 2017 (Nos.)	**Year ended December 31, 2016 (Nos.)**
At the beginning		
- Grants outstanding under the plan (Re. 1 per share)	195,280	80,280
- Grants pending determination by the Compensation Committee (Re. 1 per share)	1,925,000	2,040,000
During the year		
- Options granted (Re. 1 per share)	-	150,000
- Options exercised (Re. 1 per share)	(82,500)	-
- Options/grants lapsed or surrendered (Re. 1 per share)	-	(35,000)
- Option lapsed for determination by the Compensation Committee on expiry of the effective date	(1,925,280)	-
At the end		
- Grants outstanding under the plan (Re. 1 per share)	112,500	195,280
- Grants pending determination by the Compensation Committee (Re.1 per share)	-	1,925,000

For options exercised during the year 2017, the weighted average share price at the exercise date was Rs. 50.40.

The weighted average remaining contractual life for the stock options as at December 31, 2017 is 100 months (Previous year 13 months).

(c) For the purpose of valuation of the options granted before year ended December 31, 2004 , the management obtained fair value of the options at the date of grant under respective schemes from a firm of Chartered Accountants to determine accounting impact, if any, of options granted over the periods. In the considered opinion of the valuer, the fair value of option determined using 'Black Scholes Valuation Model' under each of above schemes [except R Systems International Limited Employee Stock Option Scheme 2007 refer 32 (b) above] is "Nil" and thus no accounting thereof is required.

The assumptions used for the purpose of determination of fair value are stated below:

Assumptions	Unit	Scheme *	Comments by the valuer
Strike price	Rs.	154	
Current share price	Rs.	140	Taken on the basis of NAV and PECV method of valuation.
Expected option life	No. of Years	2.5	Being half of the maximum option life.
Volatility	%	0.5	In case of unlisted shares, the volatility may be taken as zero. Verma committee also recommends this.
Risk free return	%	11.3	Zero coupon rate estimated from trading government securities for a maturity corresponding to expected life of option - taken from sites of NSE and / or BSE.
Expected dividend Yield	%	15	As the dividend had been paid by the erstwhile company, it has been assumed at 15%.

* R Systems International Limited Employees Stock Option Plan – Year 2001 under which originally the price was based on Rs. 10 per share for 21,967 shares. As a result of amalgamation of Indus Software Private Limited into R Systems, R Systems had issued 206,822 equity shares of Rs. 2 each pursuant to the swap ratio approved by Hon'ble High Courts of Delhi and Mumbai.

The details given above for plan are before making the required adjustments in relation to consolidation of each of the 5 equity shares of Rs. 2 each into 1 equity share of Rs. 10 each as approved by the shareholders in the year ended December 31, 2006 and further sub-division of each of the equity shares of Rs. 10 each into 10 equity shares of Re. 1 each as per record date of February 28, 2014.

(d) For the purpose of valuation of the options granted during the year ended December 31, 2007 under R Systems International Limited Employee Stock Option Scheme – 2007, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method is Nil.

The management obtained fair value of the options at the date of grant from a firm of Chartered Accountants. In the considered opinion of the valuer, the fair value of these options determined using 'Black Scholes Valuation Model' is "Rs. 50.73" per option.

The assumptions used by the valuer for the purpose of determination of fair value are stated below:

Assumptions	Unit	Scheme	Comments by the valuer
Strike price	Rs.	120.70	
Current share price	Rs.	118.50	Price on the date of grant by Board of Directors i.e. closing price on July 11, 2007
Expected option life	No. of Years	4	Being the vesting period.
Volatility	%	44	On the basis of industry average.
Risk free return	%	7	Zero coupon rate estimated from trading government securities for a maturity corresponding to expected life of option – taken from sites of NSE.
Expected dividend Yield	%	0.86	Company has declared Dividends of 12% in the past. Assuming that it will continue declaring similar dividends in future.

The above information is based on Rs.10 per share before sub-division of each of the equity shares of Rs. 10 each into 10 equity shares of Re. 1 each as per record date of February 28, 2014.

(e) For the purpose of valuation of the options granted during the year ended December 31, 2016 under R Systems International Limited Employee Stock Option Scheme – 2007, the current year compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method is Rs. 2,614,858 (Previous year Rs. 2,589,490).

The management obtained fair value of the options at the date of grant i.e. April 30, 2016 from a firm of Chartered Accountants. In the considered opinion of the valuer, the weighted average fair value of these options determined using 'Black Scholes Valuation Model' is "Rs. 49.89" per option.

The assumptions used by the valuer for the purpose of determination of fair value are stated below:

Assumptions	Unit	Scheme	Comments by the valuer
Strike price	Rs.	12.07	
Current share price	Rs.	61.45	Price on the date of grant by Board of Directors i.e. closing price on April 30, 2016
Expected option life	No. of Years	4 years i.e. 25% vesting at the end of each year from the date of grant	Being the vesting period.
Volatility	%	55.32-55.83	On the basis of industry average.
Risk free return	%	7.84	The yield on a Treasury bond by Government of India (Source: RBI) on the valuation date with the tenor matching the remaining term of the stock options.
Expected dividend Yield	%	1.32	Assuming that Company will continue declaring at similar rate, consistent with the past years.

The above information is based on per equity share having face value of Re. 1 each.

In March 2005 the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to 'employee share based plan' the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

(Amount in Rs.)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Profit after tax	238,829,974	412,138,007
Add: Intrinsic Value Compensation Cost	2,614,858	2,589,490
Less: Fair Value Compensation Cost	2,642,059	2,617,180
Adjusted Pro-forma Profit after tax	238,802,773	412,110,317
Weighted average number of equity shares for calculating Basic EPS	123,924,898	126,616,327
Weighted average number of equity shares for calculating Diluted EPS	123,949,330	126,653,124
Earnings Per Share		
Basic [Nominal value of shares Re. 1 (Previous year: Re. 1)]		
- As reported	1.93	3.26
- Pro-forma	1.93	3.25
Diluted [Nominal value of shares Re. 1 (Previous year: Re. 1)]		
- As reported	1.93	3.25
- Pro-forma	1.93	3.25

33. Earnings per share (EPS)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Net profit after tax (Rs.)	238,829,974	412,138,007
Weighted average number of equity shares for calculating Basic EPS	123,924,898	126,616,327
Weighted average number of equity shares for calculating Diluted EPS	123,949,330	126,653,124
Basic [Nominal value of shares Re. 1 (Previous year: Re. 1)] (Rs.)	1.93	3.26
Diluted [Nominal value of shares Re. 1 (Previous year: Re. 1)] (Rs.)	1.93	3.25

34. During the year company has Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308(E) dated 31st March 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

(Amount in Rs.)

Particulars	SBNs*	Other denomination notes	Total
Closing Cash on Hand as on November 8, 2016	534,500	2,047	536,547
Add: Permitted Receipts	-	1,439,299	1,439,299
Less: Permitted Payments	-	1,323,265	1,323,265
Less: Amount Deposited in Banks	534,500	-	534,500
Closing Cash in Hand as on December 30, 2016	-	118,081	118,081

* For the purpose of this note, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

35. Post-employment benefits

The Company has funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months subject to a maximum of Rs. 1,000,000.

The following table summarizes the components of net employee benefits expense recognised in the statement of profit and loss:

(Amount in Rs.)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Current service cost	18,873,611	12,414,237
Interest cost on benefit obligation	6,064,527	4,627,859
Expected return on plan assets	(232,622)	(234,942)
Net actuarial (gain) / loss recognised in the year	(12,091,292)	18,951,541
Net employee benefits expense (refer note 18)	12,614,224	35,758,695
Actual return on plan assets	1,390,744	224,202

Details of defined benefit gratuity plan:

(Amount in Rs.)

Particulars	As at December 31, 2017	As at December 31, 2016
Defined benefit obligation	99,095,728	94,598,935
Fair value of plan assets	4,325,902	2,636,628
Plan liability / (asset)	**94,769,826**	**91,962,307**

Changes in the present value of the defined benefit gratuity plan are as follows:

(Amount in Rs.)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Opening defined benefit obligation	94,598,935	68,174,622
Interest cost	6,064,527	4,627,859
Current service cost	18,873,611	12,414,237
Benefits paid	(9,508,175)	(9,558,584)
Actuarial (gains) / losses on obligation	(10,933,170)	18,940,801
Closing defined benefit obligation	**99,095,728**	**94,598,935**

Changes in the fair value of plan assets are as follows:

(Amount in Rs.)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Opening fair value of plan assets	2,636,628	2,957,688
Expected return	232,622	234,942
Contributions by the employer	9,806,705	8,000,000
Benefits paid	(9,508,175)	(8,545,262)
Actuarial gains / (losses) on obligation	1,158,122	(10,740)
Closing fair value of plan assets	**4,325,902**	**2,636,628**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Investments with Life Insurance Corporation of India	100%	100%

The principal assumptions used in determining defined benefit gratuity plan obligations is shown below:

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Discount rate	7.70% p.a.	6.75% p.a.
Expected rate of return on plan assets	8.35% p.a.	8.35% p.a.
Salary Escalation Rate	10% for 1st year & 7% thereafter	10% for 1st year & 7% thereafter
Attrition rate:	As per table below	As per table below

Attrition rate used for the year ended December 31, 2017 and year ended December 31, 2016 are as per the table below:

Age (Years)	Rates
Below Age 30	15%
Age 30 to 34	10%
Age 35 to 44	5%
Age 45 to 50	3%
Age 51 to 54	2%
Age above 54	1%

The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

Amounts for the current and previous four years are as follows:

(Amount in Rs.)

	Gratuity				
	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Defined benefit obligation	99,095,728	94,598,935	68,174,622	102,262,322	81,424,215
Plan assets	4,325,902	2,636,628	2,957,688	3,681,619	4,549,747
Surplus / (deficit)	(94,769,826)	(91,962,307)	(65,216,934)	(98,580,703)	(76,874,468)
Experience (Gains)/Losses adjustments on plan liabilities	885,862	3,555,113	(3,130,164)	(4,196,352)	(3,130,879)
Experience adjustments on plan assets	1,158,122	(10,740)	(570,122)	16,304	14,859

36. Particulars of Derivative Instruments and Unhedged Foreign Currency Exposure as at December 31, 2017 and December 31, 2016

As of December 31, 2017, the Company has derivative financial instruments to sell USD 10,250,000 (Previous year USD 14,700,000), EURO 2,950,000 (Previous year EURO 1,400,000). The Company has not applied hedge accounting as these instruments do not qualify for hedge accounting. The Company has recognised mark-to-market gain of Rs. 16,330,171 (Previous year gain of Rs. 26,417,667) relating to such derivative financial instruments in the statement of profit and loss for the year ended December 31, 2017.

The particulars of Unhedged Foreign Currency Exposure as at December 31, 2017 and December 31, 2016 are as below:

	Currency	Foreign Currency amount		Closing foreign exchange rate		Amount (in Rs.)	
		December 31,		December 31,		December 31,	
		2017	2016	2017	2016	2017	2016
Liabilities							
Trade payables	USD	424,624	663,976	63.88	67.93	27,122,887	45,100,586
	SGD	54,762	59,195	47.81	47.01	2,618,295	2,782,624
	NZD	350	1,025	45.48	47.29	15,919	48,487
Assets							
Trade receivables (Gross)	USD	5,581,724	4,948,562	63.88	67.93	356,532,628	336,541,733
	EURO	2,015,436	1,028,568	76.53	71.66	154,231,211	73,704,618
	GBP	77,826	257,315	86.28	83.46	6,715,005	21,476,115
	SGD	207,154	295,289	47.81	47.01	9,904,551	13,880,798
	CAD	12,920	254,128	50.97	50.39	658,468	12,805,510
Loans and advances	USD	156,266	26,993	63.88	67.93	9,981,512	1,833,512
	SGD	35,195	26,777	47.81	47.01	1,682,741	1,258,719
	GBP	-	942	86.28	83.46	-	78,655
	EURO	3,053	-	76.53	71.66	233,631	-
	CAD	873	7,106	50.97	50.39	44,486	358,093
	NZD	512	244	45.48	47.29	23,294	11,522
Bank balances	USD	1,811,876	2,016,595	63.88	67.93	115,733,552	136,977,244
	EURO	31,985	93,221	76.53	71.66	2,447,677	6,680,014
	GBP	10,511	5,488	86.28	83.46	906,915	458,042
	CAD	2,035	6,318	50.97	50.39	103,724	318,341
	NZD	8,092	10,271	45.48	47.29	368,012	485,647

The below table shows the detail of different currencies:

Sl. No.	Currency Abbreviation	Name of Currency	Country
1	GBP	Great Britain Pound	United Kingdom
2	EURO	Euro	European Union
3	USD	US Dollar	United States
4	SGD	Singapore Dollar	Singapore
5	CAD	Canadian Dollar	Canada
6	NZD	New Zealand Dollar	New Zealand

37. Cash and bank balances

(Amount in Rs.)

Sl. No.	Particulars	As at December 31, 2017	As at December 31, 2016
	Cash on hand (A)	66,893	118,081
	Balance with scheduled banks		
	On current accounts		
1	Axis Bank Limited	20,396,221	8,242,997
2	ICICI Bank Limited	6,859,303	3,240,748
3	HDFC Bank Limited	2,998,927	1,456,410
4	Oriental Bank of Commerce	1,112,700	531,873
5	State Bank of India	1,134,801	2,115,306
6	Kotak Mahindra Bank Limited	812,674	308,534
7	Bank of Baroda	368,012	485,647
	Total (B)	**33,682,638**	**16,381,515**
	On cash credit / overdraft accounts*		
1	Axis Bank Limited	-	-
	Total (C)	-	-
	On EEFC accounts		
1	ICICI Bank Limited- USD	24,759,990	14,538,630
2	State Bank of India - USD	319	340
3	Kotak Mahindra Bank Limited - USD	6	10,576,352
4	Axis Bank Limited-USD	71,105,891	62,732,913
5	Axis Bank Limited-EURO	2,447,677	6,680,014
6	Axis Bank Limited-GBP	906,915	458,042
7	Axis Bank Limited-CAD	103,724	318,341
	Total (D)	**99,324,522**	**95,304,632**
	On deposit accounts		
1	State Bank of India	24,048,609	34,399,485
2	ICICI Bank Limited	147,503,213	303,213
3	Axis Bank Limited	298,794,488	153,038,996
4	Kotak Mahindra Bank Limited	149,591,267	88,000,000
5	HDFC Bank Limited	-	11,000,000
	Total (E)	**619,937,577**	**286,741,694**
	On unclaimed dividend accounts		
1	HDFC Bank Limited	2,320,088	2,466,715
2	Kotak Mahindra Bank Limited	107,389	108,299
	Total (F)	**2,427,477**	**2,575,014**
	Balance with other banks		
	On current accounts		
1	California Bank & Trust, USA	19,867,345	49,129,009
	Total (G)	**19,867,345**	**49,129,009**
	Less: Margin money deposits (refer note 15)	44,956,828	48,170,299
	Total cash and bank balances (refer note 15)	**730,349,624**	**402,079,646**

* Cash credit limit / Bank guarantee / Loan equivalent risk / Letter of credit is secured by first charge by way of hypothecation of entire current assets and collateral over an immovable property situated in Noida.

38. Previous year figures have been regrouped / reclassified where necessary to make them comparable to the current year classification.

For and on behalf of the Board of Directors of
R SYSTEMS INTERNATIONAL LIMITED

Sd/-	**Sd/-**
SATINDER SINGH REKHI	**LT. GEN. BALDEV SINGH (RETD.)**
Managing Director	President & Senior Executive Director
DIN: 00006955	DIN: 00006966
Place : Singapore	Place : NOIDA
Date : February 09, 2018	Date : February 09, 2018
Sd/-	**Sd/-**
NAND SARDANA	**ASHISH THAKUR**
Chief Financial Officer	Company Secretary & Compliance Officer
Place : NOIDA	Place : NOIDA
Date : February 09, 2018	Date : February 09, 2018

GM SOLUTIONS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST December, 2017

Particulars	Note No.		Figures as at 31.12.2017 Rs.	Figures as at 31.03.2017 Rs.
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share capital	3	5,847,300		7,300
(b) Reserves and surplus	4	463,558,113	469,405,413	472,339,206
(2) Share Application Money pending allotment			-	-
(3) Non-Current Liabilities			-	-
(4) Current Liabilities				
(a) Trade payables		-		-
(b) Short term provisions	5	1,135,454	1,135,454	7,010,385
Total Equity & Liabilities			**470,540,867**	**479,356,891**
II. ASSETS				
(1) Non-Current Assets				
(a) Non-current investments	6		459,484,567	459,484,567
(b) Non-current loans and advances	7		5,842,309	5,842,309
(2) Current Assets				
(a) Cash and bank balance	8	5,121,931		13,990,494
(b) Short-term loans and advances	9	-		8,019
(c) Other current assets	10	92,060	5,213,991	31,502
Total Assets			**470,540,867**	**479,356,891**

Summary of significant accounting policies 2.1

Notes 1 to 25 form an integral part of the financial accounts.

Compiled from the books of accounts as produced before us for verification
For ASHISH M K SHARMA & ASSOCIATES
Chartered Accountants

Sd/-

(CA ASHISH SHARMA)
Membership No. 520336
Registration No.026469N
PLACE : NEW DELHI
DATED: 16TH MARCH, 2018

For and on behalf of the Board
GM SOLUTIONS PRIVATE LIMITED

Sd/-

(MRS. ANITA BEHL)
DIRECTOR
DIN-01603183

Sd/-

(MRS. KULDEEP BALDEV SINGH)
DIRECTOR
DIN-02393948

GM SOLUTIONS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD FROM 01ST APRIL, 2017 TO 31ST DECEMBER, 2017

Sr. No	Particulars	Note No.	For the period ended 31.12.2017 Rs.	For the period ended 31.03.2017 Rs.
A.	**CONTINUING OPERATIONS**			
1	Revenue from operations	11	-	57,000
2	Other Income	12	-	30,977,491
3	**Total Revenue (1 + 2)**		**-**	**31,034,491**
4	**Expenses:**			
	Other expenses	13	2,941,093	2,380,006
	Total Expenses		**2,941,093**	**2,380,006**
5	**Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (3-4)**		**(2,941,093)**	**28,654,485**
6	Financial costs		-	-
7	Depreciation and amortization expense		-	-
8	**Profit before exceptional and extraordinary items and tax (5 - 6 - 7)**		**(2,941,093)**	**28,654,485**
9	Exceptional items		**-**	**-**
10	**Profit before extraordinary items and tax (8 - 9)**		**(2,941,093)**	**28,654,485**
11	Extraordinary items		**-**	**-**
12	**Profit before tax (10 - 11)**		**(2,941,093)**	**28,654,485**
13	**Tax expense:**			
	Current income tax		-	5,842,309
	MAT credit entitlement		-	(5,842,309)
14	**Profit(Loss) from the period from continuing operations (12 - 13)**		**(2,941,093)**	**28,654,485**
B.	**DISCONTINUING OPERATIONS**			
15	Profit/(Loss) from discontinuing operations		-	-
15(i)	Tax expense of discounting operations		-	-
16	**Profit/(Loss) from Discontinuing operations (15 + 15(i))**		-	**-**
17	**Profit/(Loss) for the period (14 + 16)**		**(2,941,093)**	**28,654,485**

Summary of significant accounting policies 2.1

Notes 1 to 25 form an integral part of the financial accounts.

Compiled from the books of accounts as produced before us for verification
For ASHISH M K SHARMA & ASSOCIATES
Chartered Accountants

Sd/-

(CA ASHISH SHARMA)
Membership No. 520336
Registration No.026469N
PLACE : NEW DELHI
DATED: 16TH MARCH, 2018

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GM SOLUTIONS PRIVATE LIMITED

Sd/-

(MRS. ANITA BEHL)
DIRECTOR
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Sd/-

(MRS. KULDEEP BALDEV SINGH)
DIRECTOR
DIN-02393948

GM SOLUTIONS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2017

Particulars	Figures as at 31.12.2017 Rs.	Figures as at 31.03.2017 Rs.
A. Cash flow from operating activities		
Net profit / (loss) before taxation	**(2,941,093)**	**28,654,485**
Adjustments for:		
Interest Income	-	(80,172)
Gain on sale of equity share of R Systems	-	(30,897,319)
Operating profit / (loss) before working capital changes	**(2,941,093)**	**(2,323,006)**
Movements in working capital :		
(Increase) / Decrease in Other Current Assets	(60,612)	-
Increase / (Decrease) in trade payables, other current liabilities and other long-term liabilities	(28,422)	1,004,253
Cash generated from operations	**(3,030,127)**	**(1,318,753)**
Less: Taxes Paid	(5,838,490)	(8,124)
Net cash from / (used in) operating activities	**(8,868,617)**	**(1,326,877)**
B. Cash flows used in investing activities		
Interest Income	-	80,172
Proceeds from sale of equity shares of R Systems International Limited (net)	-	40,105,310
Investments in equity share of R Systems International Limited (net)	-	(32,615,000)
Net cash used in investing activities	**-**	**7,570,482**
C. Cash flows used in financing activities		
Share Capital Issued	-	6,662,710
Net cash used in financing activities	**-**	**6,662,710**
Net increase in cash and cash equivalents (A + B + C)	**(8,868,617)**	**12,906,315**
Cash and cash equivalents at the beginning of the year	**13,990,548**	**405,165**
Cash and cash equivalents at the appointed date of merger (GMU Infosoft Pvt. Ltd.)	**-**	**273,026**
Cash and cash equivalents at the appointed date of merger (U Infosoft Pvt. Ltd.)	**-**	**406,042**
Cash and cash equivalents at the end of the period	**5,121,931**	**13,990,548**

Summary of significant accounting policies 2.1

Schedules 1 to 25 form an integral part of the financial accounts.

Compiled from the books of accounts as produced before us for verification
For ASHISH M K SHARMA & ASSOCIATES
Chartered Accountants

Sd/-

(CA ASHISH SHARMA)
Membership No. 520336
Registration No.026469N

For and on behalf of the Board
GM SOLUTIONS PRIVATE LIMITED

Sd/-	**Sd/-**
(MRS. ANITA BEHL)	**(MRS. KULDEEP BALDEV SINGH)**
DIRECTOR	**DIRECTOR**
DIN-01603183	**DIN-02393948**

PLACE : NEW DELHI
DATED: 16TH MARCH, 2018

GM SOLUTIONS PRIVATE LIMITED

Notes to Financial Statements for the Period ended 31st December, 2017

1. **CORPORATE INFORMATION -**

The main object of the Company is to undertake and carry on the business of Software Development and IT related services.

The Board of directors at its meeting held on September 26, 2016 had approved the Scheme of Amalgamation between GMU Infosoft Pvt. Ltd., U Infosoft Pvt. Ltd. and the GM Solutions Private Limited (the Company) and their respective Shareholders and Creditors (hereinafter referred to as 'Scheme' or 'the Scheme' or 'this Scheme'). The Scheme filed by the Company under Sections 391 to 394 of the Companies Act, 1956 and Under Section 230 to 232 of Companies Act, 2013 was sanctioned and approved by the National Compant Law Tribunal, New Delhi vide its order dated April 24, 2017. The appointed date as per the said scheme was October 01, 2016.

The Board of Directors of the Company at its meeting held on September 22, 2017 has approved the Scheme of Amalgamation under Section 230-232 and other applicable provisions of the Companies Act, 2013 between GM Solutions Private Limited ("GM Solutions") and R Systems International Limited ("R Systems") and their respective shareholders and creditors ("Scheme"). The appointed date as per the said scheme is January 01,2018. At present, the said scheme is pending before the National Company Law Tribunal New Delhi, for its necessary directions and approvals.

2. **BASIS OF PREPARATION -**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act'), the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policies during the year end March 31, 2017 as explained below.

The Company had recorded all the assets, liability, debts including reserves of Amalgamating Companies i.e. GMU Infosoft Pvt. Ltd. and U Infosoft Pvt. Ltd. in its' books of accounts as per the 'Pooling of Interest Method' of Accounting Standard -14 "Accounting for Amalgamations" as on the Appointed Date i.e. October 01, 2016. The inter-company balances and investments (including the investments of Amalgamating Companies in the Amalgamated Company and vice versa), if any, appearing in the books of Amalgamating Companies and Amalgamated Company was cancelled. The cancellation of investment of Amalgamating Companies in the Amalgamated Company resulted into reduction in the share capital of Amalgamated Company which was approved by the National Company Law Tribunal, New Delhi vide its order dated April 24, 2017 and accordingly reduced from the paid-up share capital of the Company.

The difference, if any, between the book value of assets and liabilities (including the reserves) of Amalgamating Companies and after effecting adjustment made for cancellations of the inter-company balances & investments (including the reduction in paid-up share capital of the Company) was adjusted with the reserves of Amalgamated Company.

2.1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -**

a **USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

b **CASH FLOW STATEMENT**

The Cash Flow Statement is prepared under "Indirect method" in accordance with Accounting Standard-3 on Cash Flow Statements notified in section 133 of the Companies Act, 2013. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

c **INVESTMENTS**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Long-term investments are valued at cost. Current investments are valued at the lower of cost and fair value as on the date of the Balance Sheet.

d **REVENUE RECOGNITION**

Revenue is recognised to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

Software Services Rendered

Revenue associated with Software Development and Maintenance Services rendered on time-and-material basis is recognised when services are rendered.

Revenue of fixed price contract is recognised using percentage of completion method.

Dividend

Dividend Income is recognised on receipt basis.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

e **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

f. **RETIREMENT & OTHER EMPLOYEES BENEFITS**

The Company has no employees on its rolls.

g **FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are taken over at the book value.

h **INCOME-TAX**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

i **EARNINGS PER SHARE**

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

j **EVENTS OCCURING AFTER THE BALANCE SHEET DATE**

Events occurring after the date of Balance Sheet are considered up to the date of finalization of accounts, wherever material.

3. **SHARE CAPITAL**

	Figures as at 31.12.2017 Rs.	Figures as at 31.03.2017 Rs.
AUTHORIZED CAPITAL		
6,00,000 (P.Y. 6,00,000) Equity Shares of Rs. 10/- each *	6,000,000	6,000,000
	6,000,000	6,000,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
584,730 (P.Y. 176,000 **) Equity Shares of Rs.10/- each		
Brough forward fully paid up Capital	7,300	1,760,000
Less:- Share Capital eliminated due to Amalgamation	-	(1,760,000)
Add:- Share Capital issued during the Year	5,840,000	7,300
Total	5,847,300	7,300

3.1 The detail of Shareholders holding more than 5% shares -

	As at 31st December, 2017		As at 31st March, 2017	
Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
Sartaj Singh Rekhi	273,942	46.85	146	20.00
Ramneet Singh Rekhi	233,892	40.00	146	20.00
Satinder Singh Rekhi	29,637	5.07	146	20.00
Harpreet Singh Rekhi	29,637	5.07	146	20.00
Amrita Rekhi	17,622	3.01	146	20.00

3.2 Bonus Share

Pursuant to approval of the shareholders of the Company at their Annual General Meeting held on September 04, 2017, the Board of Directors of the Company at its meeting held on September 05, 2017, allotted 584,000 fully paid up equity shares of face value of Rs. 10/- each as bonus shares in the proportion of 800 equity shares for every one existing equity share held by members .

3.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

3.4 * Authorised Share Capital of GMU Infosoft Pvt. Ltd and U Infosoft Pvt. Ltd. has been added with GM Solutions Pvt. Ltd.'s Authorised Share Capital as per Amalgmation Scheme approved by the National Company Law Tribunal, New Delhi vide order dated April 24, 2017.

** Paid-up Share Capital of GM Solutions Pvt. Ltd., GMU Infosoft Pvt. Ltd and U Infosoft Pvt. Ltd. has been eliminated as per Amalgamation Scheme approved by the National Company Law Tribunal vide order dated April 24, 2017.

		Figures as at 31.12.2017 Rs.	Figures as at 31.03.2017 Rs.
4.	**RESERVE & SURPLUS**		
	SURPLUS (PROFIT & LOSS ACCOUNT) -		
	Balance brought forward from previous year	460,752,050	173,674,965
	Add : Transfer from GMU Infofost Pvt Ltd	-	128,045,079
	Add : Transfer from U Infofost Pvt Ltd	-	130,377,574
	Add : Profit for the year	(2,941,093)	28,654,431
	Total	457,810,957	460,752,050
	GENERAL RESERVE -		
	Balance brought forward from previous year	4,931,747	-
	Add : Generate due to Amalgamation	-	1,631,746
	Add : Transfer from GMU Infofost Pvt Ltd	-	1,650,000
	Add : Transfer from U Infofost Pvt Ltd	-	1,650,001
	Total	4,931,747	4,931,747
	SECURITY PREMIUM -		
	Balance brought forward from previous year	6,655,410	-
	Add : Received during the year	-	6,655,410
	Less : Bonus Share issued during the year (refer note 3.2 above)	5,840,000	-
	Total	815,410	6,655,410
	Total Reserve & Surplus -	**463,558,113**	**472,339,206**
5.	**SHORT TERM PROVISIONS**		
	Provision for Taxation	-	5,846,509
	Provision for Other Expenses	1,134,554	1,096,626
	TDS Professional - Non Co.	900	67,250
	Total	1,135,454	7,010,385

5.1 Income-tax provision has been made on the basis of current year's assessable Income as per the provisions of Income-tax Act, 1961.

6.	**NON CURRENT INVESTMENTS**		
	Investments -Quoted		
	Investment - R Systems International Limited		
	29,746,353 (P.Y. 29,746,353) Equity Shares of Rs.1/- each. Market value Rs. 1,398,673,518/- (P.Y. Rs. 1,622,068,629/-)	459,484,567	459,484,567
	Total	459,484,567	459,484,567

6.1 * Investment of GMU Infosoft Pvt. Ltd and U Infosoft Pvt. Ltd. in equity share capital of R Systems International Limited was consolidated based on 'Pooling of Interest Method' (refer note 2 above).

** Investment in equity share capital of GMU Infosoft Pvt. Ltd and U Infosoft Pvt. Ltd. was eliminated as per Scheme of Amalgamtion as approved by the National Company Law Tribunal, New Delhi vide its order dated April 24, 2017.

7.	**NON CURRENT LOANS AND ADVANCES**		
	MAT credit entitlement	5,842,309	5,842,309
		5,842,309	5,842,309

8.	**CASH & BANK BALANCE**			
	CASH AND CASH EQUIVALENTS			
	A) Cash-in-Hand			
	Cash Balance (as certified by the management)		49,988	59,070
	B) Bank Balance			
	In Current Accounts with -			
	- Oriental Bank of Commerce	4,108,476		13,594,141
	- HDFC Bank	877,590		251,406
	- ICICI Bank	85,877	5,071,943	85,877
	Total [A + B]		5,121,931	13,990,494

	Figures as at 31.12.2017 Rs.	Figures as at 31.03.2017 Rs.
9. SHORT TERM LOANS & ADVANCES		
Loans & Advances		
Advances recoverable in cash or in kind or for value to be received		
Tax Deducted at Source	-	8,019
Sundry Advances made	-	-
Total	-	8,019
10. OTHER CURRENT ASSETS		
Income-tax Recoverable	36,440	31,502
Input Tax Credit (GST)	55,620	-
Total	92,060	31,502

	Figures for the period ended 31.12.2017 Rs.	Figures for the period ended 31.03.2017 Rs.
11. REVENUE FROM OPERATIONS		
Sale of Services	-	57,000
Total	-	57,000
12. OTHER INCOME		
Dividend Income from R Systems International Ltd	-	-
Interest Income	-	80,172
Gain on Sale of Shares	-	30,897,319
Total	-	30,977,491
13. OTHER EXPENSES		
Computer Software Development Expenses	-	22,500
Bank Charges	11,162	11,162
Audit Fees	28,500	83,500
Printing & Stationery	-	500
Professional Charges & Filing Fees	2,155,877	2,170,302
Misc. Expenses	(640)	7,127
Legal Expenses	334,882	84,915
Interest on Income Tax - Expenses	411,312	-
Total	2,941,093	2,380,006
13.1 Payment to Auditor		
a) As Auditor -		
- Audit Fee	28,500	83,500
	28,500	83,500

14. **DEFERRED TAX**
Components of determining Deferred Tax Assets & Liabilities are NIL.

15. Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with current year's presentation. Further Current year figures are not comparable with previous year since current period financials are for the period 01st April' 17 to 31st Dec'17.

16. Income-tax assessment has been completed up to assessment year 2015-16. Thereafter, assessment is pending, liability if any, over and above the existing provisions will be provided only on completion of the same.

17. Figures are rounded-off to the nearest rupee.

18. Contingent liabilities are estimated at NIL.

19. Contract remaining to be executed on Capital Account is NIL (Previous Year – NIL).

20. Related party disclosures

(i) **Name of related parties:**

Associate Companies

R Systems International Limited (holding 24% equity share capital)

Note:

GMU Infosoft Pvt. Ltd and U Infosoft Pvt. Ltd. were amlgamated into GM Solutions Pvt. Ltd. w.e.f. October 01,2016 (Appointed Date) as per scheme of Amalgamation approved by the National Company Law Tribunal, New Delhi vide order dated April 24, 2017.

List of Directors

Mr. Sartaj Singh Rekhi
Mr. Ramneet Singh Rekhi
Mrs. Kuldeep Baldev Singh
Mrs. Anita Behl

Entities in which directors/ relative of directors are having any concern or interest

R Systems Inc., U.S.A
R Systems Technologies Limited, U.S.A.
Computaris Inc., U.S.A
ECnet Ltd, Singapore
IBIZ Consulting Services Limited - Hong Kong
RSYS Technologies Ltd., Canada
The Satinder & Harpreeet Rekhi Family Trust

(ii) **Details of transactions with related parties for the period ended December 31, 2017:**

S. No.	Particulars	Relationship	Nature of Payment	Amount
a)	Sartaj Singh Rekhi	Directors	Bonus Share issued	2,736,000
b)	Ramneet Singh Rekhi			2,336,000
c)	Satinder Singh Rekhi	Relative of Directors		296,000
d)	Harpreet Rekhi			296,000
e)	Amrita Rekhi			176,000

21. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 : No supplier has claimed the status of Micro, Small & Medium Enterprises. Therefore, disclosure regarding dues to MSME - NIL.

22. Value of Imports calculated on CIF basis : NIL

23. Expenditure in Foreign currency (accrual basis) : NIL

24. Imported and indigenous raw materials, components and spare parts consumed : NIL

25. Earnings in foreign currency (accrual basis) : NIL

Compiled from the books of accounts as produced before us for verification

For ASHISH M K SHARMA & ASSOCIATES
Chartered Accountants

Sd/-

(CA ASHISH SHARMA)
Membership No. 520336
Registration No.026469N

For and on behalf of the Board
GM SOLUTIONS PRIVATE LIMITED

Sd/-

(MRS. ANITA BEHL)
DIRECTOR
DIN-01603183

Sd/-

(MRS. KULDEEP BALDEV SINGH)
DIRECTOR
DIN-02393948

PLACE : NEW DELHI
DATED: 16TH MARCH, 2018

Caring - Innovating - Transforming

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 - 2587123
Website: www.rsystems.com; Email: investors@rsystems.com

Before the National Company Law Tribunal,
New Delhi Bench
In the matter of the Companies Act, 2013
And
In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016
And
In the matter of scheme of amalgamation between
GM Solutions Private Limited **Applicant Company I /**
And
R Systems International Limited **Applicant Company II/**
And
Their respective Shareholders and Creditors

FORM OF PROXY

I/We, being the member(s) of shares of the above named Company, hereby appoint:

Name: Email ID:

Address: Signature: , or failing him

Name: Email ID:

Address: Signature: , or failing him

Name: Email ID:

Address: Signature:

as my / our proxy, to attend and vote (on Poll) for me / us and on my/our behalf at the meeting of the Equity Shareholders convened pursuant to the direction of NCLT, New Delhi Bench to be held at Air Force Auditorium, near Army Hospital Research and Referral, Subroto Park, New Delhi 110010 **on May 05, 2018 at 10:00 AM**, and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	Voting (if for, insert 'FOR', or if against, insert 'AGAINST')
1.	Approval of Scheme of Amalgamation between GM Solutions Private Limited and R Systems International Limited and their respective shareholders and creditors	

Dated this _____ day of _____ 2018

Affix Re. 1 Revenue Stamp

Signature of Shareholder(s)

NOTES:

1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2 Please affix revenue stamp before putting signature.
3 Proxy need not be an Equity Shareholder of the Applicant Company II.
4 Proxy shall not be a minor.
5 Proxy should carry a valid proof of identity like PAN card, Aadhaar card, Driving License, Passport, etc.
6 Bodies Corporate would be required to deposit a certified copy of the resolution under Section 113 of the Companies Act, 2013 of its Board of Directors or other governing body authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company II at least 48 hours before the time for holding the Meeting.
7 Alterations, if any, made in the Form of Proxy should be initialed.
8 In case of multiple Proxies, the Proxy later in time shall be accepted.
9 Copy of the Scheme of Amalgamation / Explanatory Statement / Proxy Form may be obtained from the Registered Office and the Corporate Office of the Applicant Company II and at the Lawyers Office.

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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 - 2587123
Website: www.rsystems.com; Email: investors@rsystems.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

In the matter of

GM Solutions Private Limited (Applicant Company I)

And

R Systems International Limited (Applicant Company II)

And

Their respective shareholders and creditors

I hereby record my presence at the Meeting of the Equity Shareholders of R Systems International Limited, Applicant Company II, convened pursuant to the Order dated March 08, 2018 of the National Company Law Tribunal, New Delhi, at Air Force Auditorium, near Army Hospital Research and Referral, Subroto Park, New Delhi 110010 **on May 05, 2018 at 10:00 AM**.

Name of the Equity Shareholder : _____

Address _____

Folio No. _____

DP ID No.* _____

Client ID No.* _____

No. of Share(s) held _____

Signature _____

Name of the proxy holder/ authorized representative _____

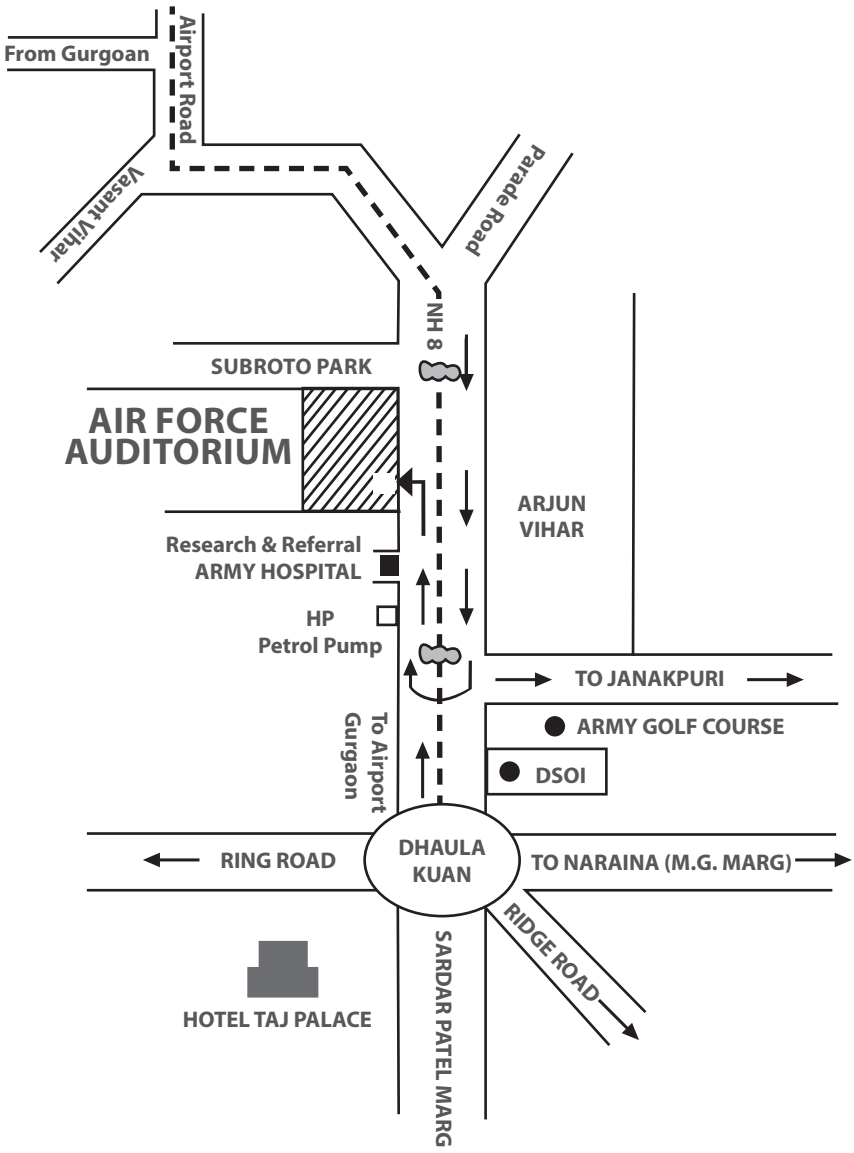
Signature _____

*Applicable for Shareholder(s) holding Shares in dematerialized form.

NOTE:

1. Shareholder(s) attending the Meeting in person or by proxy or through authorized representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the Meeting hall.
2. Bodies Corporate would be required to deposit a certified copy of the resolution under Section 113 of the Companies Act, 2013 of its Board of Directors or other governing body authorizing the individuals named therein, to attend and vote at the meeting on its behalf.

Route Map to the venue of the Meeting of the Equity Shareholders of R Systems International Limited convened as per the directions of the National Company Law Tribunal, New Delhi Bench



Venue: Air Force Auditorium, Subroto Park, New Delhi - 110 010

Landmark: Adjacent to Research & Referral, Army Hospital