



R SYSTEMS INTERNATIONAL LIMITED
Twenty Sixth Annual General Meeting

through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)

Tuesday, June 30, 2020
09:00 A.M. to 09:54 A.M.

Company’s Panellists

Mr. Satinder Singh Rekhi
Managing Director

Lt. Gen. Baldev Singh (Retd.)
President & Sr. Executive Director

Mr. Avirag Jain
Director & Chief Technology Officer

Mrs. Ruchica Gupta
Non-Executive Independent Director

Mr. Kapil Dameja
Non-Executive Independent Director

Mr. Aditya Wadhwa
Non-Executive Independent Director

Mr. Nand Sardana
Chief Financial Officer

Mr. Bhasker Dubey
Company Secretary & Compliance Officer

Mr. Jitender Agarwal and Mr. Vyom Havelia
Representative of Statutory Auditor,
M/s. Deloitte Haskins & Sells, LLP

Mr. S.K. Relan and Mr. Sandeep Sahni
Representative of Internal Auditor,
M/s. S.K. Relan & Co.

Mr. Jitender Singh
Secretarial Auditor

Mr. Devesh Vasisht
Scrutinizer

Mr. Bhasker Dubey, Company Secretary & Compliance Officer

Dear Shareholders, I welcome you all at this Twenty Sixth Annual General Meeting of R Systems International Limited through Video Conferencing/ other Audio Visual Means.

Before we officially start the proceedings I would like to apprise that:

- Shareholders have been provided with a facility to attend the AGM through Video Conference by CDSL Platform. I thank the CDSL Team for providing the facility.
- The joining by shareholders for this meeting was opened 30 minutes prior to the commencement of the meeting and will remain open for 15 minutes after the conclusion of the meeting.
- Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of glitches.
- As per the Rules, the entry to the AGM is restricted for the shareholders on first come first basis, up to 1,000 shareholders, however, the large shareholders i.e. shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 26th AGM without any restriction on account of first-come first served basis.
- Members who have registered themselves as a speaker will be given a chance to express their views or ask queries. For the sake of time, the members are requested to be specific and express their queries or views in a period of 3 minutes' time.
- All grievances connected with the facility of voting by electronic means or web telecast may be addressed to Mr. Rakesh Dalvi, Manager, CDSL or by sending an email to helpdesk.evoting@cdslindia.com or call at 1800225533.

Now, I would like to request the Board of Directors and Management of the Company to introduce themselves:

Mr. Nand Sardana- Mr. Rekhi

Mr. Rekhi- Hello everyone, my name is Satinder Singh Rekhi, Managing Director of the Company and I am joining the AGM from Singapore.

Mr. Nand Sardana- Gen. Sir

Lt. Gen. Baldev Singh (Retd.)- Hello everyone, my name is Lt. Gen. Baldev Singh (Retd.), and I am President & Senior Executive Director of the Company and I am joining the AGM from NOIDA.

Mr. Nand Sardana- Mr. Avirag Jain

Mr. Avirag Jain- Hello everyone, my name is Avirag Jain, Director & Chief Technology Officer of the Company. I am attending this meeting from NOIDA through Video Conferencing.

Mr. Nand Sardana- Mrs. Ruchica Gupta

Mrs. Ruchica Gupta- Hello everyone! my name is Ruchica Gupta, I am Non-Executive Independent Director of the Company, I am also the Chairperson of the Audit Committee, Nomination & Remuneration Committee and Compensation Committee. I am joining the AGM from Delhi.

Mr. Nand Sardana- Mr. Kapil Dhameja

Mr. Kapil Dhameja - Hello everyone! my name is Kapil Dhameja, I am Non-Executive Independent Director of the Company, I am also the Chairperson of the Stakeholder's Relationship Committee and Corporate Social Responsibility Committee. I am joining the AGM from Gurugram.

Mr. Nand Sardana- Mr. Aditya Wadhwa

Mr. Aditya Wadhwa - Hello everyone my name is Aditya Wadhwa, I am Non-Executive Independent Director of the Company. I am joining the AGM from Delhi.

Mr. Nand Sardana- Hi everyone, I am Nand Sardana, I am Chief Financial Officer of the Company. I am joining the AGM from Delhi my residence.

Mr. Bhasker Dubey-

Thank you all, we also have Mr. Jitender Ahlawat and Mr. Vyom Havelia, representative of Statutory Auditors i.e. Deloitte Haskins & Sells LLP, Mr. S. K. Relan and Mr. Sandeep Sahni, representative of Internal Auditors are also with us at today along with our Secretarial Auditor, Mr. Jitender Ahlawat.

Mr. Nand Sardana - Bhasker, just to correct you that Mr. Jitender Agarwal is from statutory Auditor. Jitender Ahlawat is our Secretarial Auditor.

Mr Bhasker Dubey- Mr. Devesh Vasisht, representative of M/s. Sanjay Grover & Associates company secretaries is also present as scrutinizer for the meeting.

Now, As per the Articles of Association of the Company, I would request the Directors present at the meeting to elect one of them as Chairman of the 26th AGM of the Company.

Mr. Nand Sardana- Gen. Sir you may recommend.

Lt. Gen. Baldev Singh

I propose the name of Mr. Satinder Singh Rekhi to be elected as Chairman to conduct the 26th AGM of the Company.

Bhasker Dubey- As per the name proposed by Lt. Gen. Baldev Singh (Retd.), I request the Directors to please accord their assent for electing Mr. Satinder Singh Rekhi as Chairman of the 26th AGM.

Mr. Nand Sardana- Mrs. Ruchica

Mrs. Ruchica – Approved

Mr. Nand Sardana- Mr. Avirag

Mr. Avirag Jain- Approved

Mr. Nand Sardana- Mr. Kapil

Mr. Kapil Dhameja- Approved

Mr. Nand Sardana- Mr. Aditya

Mr. Aditya Wadhwa- Approved

<Little Disturbance>

Mr. Bhasker Dubey- I request all the participants to please mute their mike, in case, they are not using it.

So, with this I thank all the Board of Directors and Mr. Satinder Singh Rekhi is unanimously elected as Chairman of the 26th AGM of the Company.

With the presence of requisite quorum, I confirm to the Chairman that the meeting is legally convened & duly constituted.

I request Mr. Rekhi to please address the meeting

Mr. Satinder Singh Rekhi (Chairman of the 26th AGM)

Dear Shareholders, I welcome you all at this Twenty Sixth Annual General Meeting of your Company.

In number terms, Your Company has reported record revenue of Rs. 809 Crores with EBITDA of 9% for the year 2019. Our revenue grew by 15% and EBITDA has improved by 26%. This double digit revenue growth and margin improvement is on the back of good traction towards our product engineering and digital practices. The employee utilization also remained healthy and helped us to improve margins.

During 2019, we added 24 key customers out of which 7 have the potential to be US \$ million plus accounts and served 26 US \$ million plus accounts. We added net 200 plus associates towards IT business, however, our strength in knowledge services business is impacted by ramp down in a health care customer.

The shareholder's funds and cash balances remains healthy with Rupees Three hundred thirty-Eight Crores and Rs. 200 Crore, respectively. Your Company has expanded infrastructure by adding a 30,000 square feet state-of-the-art new SEZ facility to cater to revenue growth.

We have also expanded our nearshore offices in Chicago and Ontario, Canada to be closer to our customers in order to understand their fast changing business needs. It includes

strengthening an onsite pre-sales team around digital technologies where such niche-technocrat works closely with customers and navigate them in their digital transformation journey. We have been investing in strengthening digital capabilities, robust infrastructure and processes over last few years to support sustainable global operations for future growth.

We have also rewarded our shareholders with an interim dividend of Rs. 1.5 per equity share which is 150% which was paid in January 2020.

R Systems continues its CSR efforts by spreading happiness in society. Your company has contributed in promoting education, welfare and sports, especially for girls.

These are the focused efforts to support education for girls from underprivileged sections, to promote sports like badminton to deliver international players, and other welfare initiatives to spread happiness in our society.

Although the external environment seems to present challenges like the COVID 19 pandemic, global trade wars, sluggish economic times and political uncertainty, R Systems is set for a future that is different to its past. Your Company will continue to live with its transformation culture for safe and reliable operations. This transformation will endeavour to navigate our customers to remain relevant in a fast changing technology landscape. Our culture enables us to pursue our mission with a caring mind-set.

My thanks to all Stakeholders. Today, R Systems' engagement with all stakeholders, i.e. customers, suppliers, shareholders, employees and government agencies is wider and deeper than ever. However, it has further to develop as we progress on our journey. I therefore want to use this opportunity to thank all of you for your continued support and engagement. As I reflect on our progress last year, I would like to thank our employees worldwide for their commitment to R Systems. I'm extremely proud of what we have accomplished together as we innovate and help customers navigate their digital transformation.

I am also grateful to them for their extra mile in ensuring sustainability in our operations during this global pandemic. Let's work together for a safe and sustainable operation.

Now I request the Company Secretary to proceed as per the scheduled agenda and I authorize the Company Secretary to order poll on my behalf. Thank You.

Mr. Bhasker Dubey

Thank you Sir. With your permission I will proceed with the scheduled agenda. I wish to apprise to the shareholders that in view of the continuing Covid-19 pandemic, lockdowns, the Ministry of Corporate Affairs has permitted the holding of the AGM through Video Conferencing and Other Audio Visual Means.

As this meeting is being conducted through video conferencing, all efforts feasible under the circumstances have been made by the Company to enable members to participate and vote on the items being considered in the meeting.

Further, as per the MCA circulars the facility for appointment of the proxies is not available.

Also, as per the stated MCA Circulars read with the SEBI Circular dated May 12, 2020, electronic copies of the Notice of AGM and Annual Report for the financial year ended on December 31, 2019 have only been sent to the members whose email IDs are

registered with the Company or with the Depository participant(s) on June 05, 2020. The same is also available on the Company's website www.rsystems.com under investor section.

All the Directors of the Company are present in the meeting. The statutory registers and all the documents referred to in the Notice and accompanying explanatory statements is available for inspection at the website of the Company at www.rsystems.com during the meeting under investor section.

As there is no qualifications, observations or comments or other remarks, in the Auditor's Report on the standalone and consolidated financial statements, which have any adverse effect on the functioning of the company, the Auditor's Report on the standalone and consolidated financial statements for the financial year ended December 31, 2019, be and is hereby taken as read.

Further, the Secretarial Audit Report also does not contain any qualifications, observations or comments or other remarks, the Secretarial Audit Report for the financial year ended December 31, 2019, be and is hereby taken as read.

Since, this AGM has been called through Video Conferencing, all the resolutions as stated in the Notice of this AGM has been already put to vote through remote e-voting therefore there will be no proposing and seconding of Resolutions and the notice of the AGM is taken as read.

As per the Notice dated June 01, 2020, the following business are to be transacted at the 26th AGM of the Company:

First item AS ORDINARY BUSINESS

1. To receive, consider and adopt audited financial statements (including consolidated financial statements) of the Company for the financial year ended December 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.

Next item is

2. To confirm the interim dividend of Rs. 1.50 per equity share, declared and paid for the financial year ended December 31, 2019.

Third item is

3. To appoint a director in place of Lt. Gen. Baldev Singh (Retd.) (DIN: 00006966), who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS, first items is

4. To consider and approve the continuation of Mr. Satinder Singh Rekhi (DIN: 00006955), as Managing Director of the Company, as detailed in the notice.

Next Items is

5. To consider and approve the re-appointment and remuneration of Mr. Avirag Jain (DIN: 00004801) as Director & Chief Technology Officer of the Company.

And last item is

6. To consider the appointment of Mr. Ramneet Singh Rekhi for holding office or place of profit, as detailed in the Notice.

As per the opinion of the Board all the stated businesses are unavoidable and important to be transacted at this AGM.

As you are aware that under the Companies Act, 2013 and SEBI regulations voting through means of e-voting has been made mandatory for listed companies. The company has given option for remote e-voting through Central Depository Services (India) Limited (CDSL) and remote e-voting was open from June 26, 2020 to June 29, 2020. Further, as per the MCA Circulars, the voting provided by CDSL shall also be open throughout the 26th AGM for those members who are attending the AGM. Members who have not voted through remote e-voting are requested to please vote as per the instructions provided in the Notice of this AGM on the platform provided by CDSL.

The Board of Directors has appointed M/s. Sanjay Grover & Associates company secretaries as Scrutinizer to scrutinize the e-voting process. The scrutinizer will submit his report to the Chairman or any other person authorised by him and the results shall be declared at the company's registered office and will be posted on the Company's website and will also be intimated to the Stock exchanges.

I request the participants to please mute their mikes.

The members who have not voted on the resolutions proposed in the notice of Annual General Meeting through remote e-voting can cast their vote while going through the proceeding of the meeting.

As per the MCA circulars and SEBI Circulars, the Company in best possible way had given options to the shareholders to ask their questions/ give suggestions by registering themselves as speaker and ask the query or give suggestions, or the shareholders can also ask questions through the live chat box as provided.

First we would take questions from the registered speakers and then we will answers registered questions and then we will answers the questions of live chat box.

Now, I would request the CDSL team to unmute Mr. Yashpal Chopra.

Mr. Yashpal Chopra (Shareholder)

Hon'ble Sir, Mr. Rekhi Sir, I am very much proud of the team for holding this year meeting and for the grand performance for this year, record breaking turnover, PBT, PAT, EPS and 150% Interim Dividend to the shareholder. I congratulate you all and as we say in Punjabi "lakh lakh badhaiyan tuanu sabnu" for the grand performance of the Company.

Sir, to say, I Yashpal Chopra associated with the Company, since the time of IPO conference, which was organised and presented by our Lt. Gen. Sardar Baldev Singh Ji. Sir, even at that stage a very nice presentation was given over there, after that presentation the event manager just said to me regarding the commands and all that.

And at their stage, I said it clearly that though, I do not know IT business, I do not know that digital system, but I have got a big, big faith in a disciplined promoter from the defence sector i.e. Sardar Baldev Sir ji. So, I say I told openly that I have got a big trust, and I know that my

investment will be secure and that will grow. So I must invest in that and I will ask all my followers to go for that.

And so those are my opening remarks, and after that almost everybody was just on the positive stream, and when that IPO came, it got a very, very big stand.

Sir, on the first AGM, the AGM that was held in the morning at nine A.M., The people were surprised why so early and when they then somebody asked me. I said they are army people and they get up in the morning around four and all that. So, that is why they have got discipline in life and they don't want even the day of AGM to get wasted. So, they will finish the AGM in an hour or so and then they will just shift to their routine jobs.

I think they have a bigger respect for the man hours. So, that is visible in the results you have shown to us.

Sir, I have got a great regard for Mr. Nand Sardana who is the CFO associated with the Company since long and for Mr. Bhasker Dubey who is helping hand of the shareholders having a big relationship with all the Investors. So that is a matter of pride for us.

So though, I have got a big faith in the in the capability of the management but sir, I have got a few queries that the queries has been that the reason is that horrible cloud of Corona, because our business main operation of our company's business in more that ninety percent that's in North America, Canada, Europe, and South East Asian countries and all are very, very badly infected by corona this year.

And virtually, the global economy has been shattered and shattered like anything.

So, Sir, at this stage, I just want to find out what is going to be your strategies to avoid just to maintain our progress. So, the one thing is that and then the next query is that you are going in alliances with so many digital companies who are producing the latest type of digital systems.

And so, we have approved all your resolutions. Those, that came with that, Postal ballot and all that. But sir, I just want to find out what shall be the impact on profitability post this alliance because these alliances are going to be in this year 2020 and the results would be it just at the end of the year. But I will ask you to forecast that. So, sir, in the end, I would wish all Your employees from the top to the last man, the best of health this year, because that is a big, the biggest necessity of the time. So sir wishing you best of luck and waiting for my queries. Thank you. Sir.

Mr. Bhasker Dubey

Now, I would request our CDSL team, to please unmute Mr. M.P. Bhutani.

Mr. M.P. Bhutani

Good Morning Sir, Chairman Sir I am very thankful to you from my heart for the way you are running this meeting excellently. Looking into the times need, this is our first Video Conferencing AGM.

Chairman Sir, as comparing to the last year, our share price is almost double. This is the good opportunity for investors to see the Company's appreciation.

Chairman Sir, my question is regarding the world pandemic of Corona (COVID-19), what do you see the impact on the Company in the current financial year 2020-21. How we will run our Company in smooth manner. How we will give the Company good oxygen like the last year and what will be the future strategy, how we will recover and come forth from this pandemic.

Currently, we have seen that Chinese apps are banned. Our PM sir is also pressing for Digital. Can we move our Company in this direction? Can we give any new platform? This one question is in the mind of investors.

I understand that our Board, our CFO Sir, our whole team is an excellent team. The whole team is capable of facing and handling every difficulties and challenges and in this way I feel we will take our Company in new heights. Investors will get more chances to see their appreciations.

Chairman Sir, is our Company planning some right issue or fund generations strategy in future.

Chairman Sir, I am very thankful to you that you have given very good platform to let all the shareholders speak their words. I fully endorsed all the words said by previous speaker and will like to know what you will say on it. Thank you very much sir.

Mr. Nand Sardana- Is there any other question from any other shareholder or any other speaker?

Mr. Bhasker Dubey- Sir, the registered speakers has just spoken. There is just one question from Mr. Prem Chand Chachra from the live Chat Box that he would like to know our expansion plans in Europe and America.

Mr. Nand Sardana- Any other questions?

Mr. Bhasker Dubey- No Sir, there is no other question.

Mr. Nand Sardana- Okay. I take this opportunity to reply on behalf of the company and the chairman. Thank You, Mr. Bhutani, Thank You Mr. Chopra and also Mr. Chachra for asking questions. We regard you as our shareholders, mostly the shareholders who have been with us since the IPO and we respect their loyalty.

In fact, some of the shareholders we have with us are since the IPO, and they have been a source of inspiration for us, and we respect them.

Coming under specific questions of Mr. Chopra. Mr. Chopra has asked questions on the impact of Corona Virus, he also wanted to know about the alliances. He also wants to know about the health of the employees, how we are taking care of that.

So, yes, Corona virus has impacted the businesses. It has impacted mostly the businesses which were run by factories and all that. As an I.T. company, we are also impacted, but the impact has not been that severe. To be honest before the lockdown was announced in most of the

countries we all switched to work from home culture. The health of employees is very important to us and well ahead of time, we moved the business to work from home.

And I would say, ninety-five to ninety-six percent of our customer were so cooperative that they allowed us to work from home and we are almost working smoothly. I would say, at, more than ninety-five percent capacity rather I would say, ninety-seven, ninety-eight percent capacity and fulfilling the requirement of customer through work from home, keeping the employee health into the consideration.

Now, because of COVID-19 yes, the US economy, Singapore economy, southeast Asian economy the Europe economy have been impacted but the governments in the US, Europe and Southeast Asia, have given lot of stimulus packages, and because of that, the impact has been very minimal.

Although, some of the customer have asked for reduced prices, some have to some extent ramp down some discretionary expenses and have not started new projects. But whatever impact was to come, I would say, five to six percent impact that has come in the June quarter. And I have a feeling that some impact, maybe there in September quarter, but with the stimuluses which USA government has given, personally, I feel that the December quarter will be a good quarter and all the impact will be kind of taken care of and rather we will get into the growth path once again.

So to summarize yes, COVID-19 has impacted. But with the strength of our employees with the kind of cooperation of the customers we are having, we feel that in December quarter, we will be able to rather grow the business.

On the alliances. Yes. We are a software company. We have alliances, with Sales Force, AWS, Azure, Microsoft and many others. So we have lot of alliances and the business model works this way. The company grows through alliances and wherever alliances are possible that helps us in growing the business.

And on your question on the health of the employees, yes and as I said ninety-five to ninety-six percent business is moved to work from home and the employee health is very important to us and we are taking care of that.

Coming onto the question of Mr. Bhutani, he had raised a few points, which I would like to answer one by one. First was on the performance of the company. 2019, the revenue growth and margin improvement was due to our investments in digital and it has resulted in to visible results in terms of revenue growth and bigger deal sizes, as Mr. Rekhi also said, we reported Fifteen percent revenue growth with Twenty-six percent EBITDA growth.

We served twenty-six million dollar plus customers in 2019, including seven Customers with dollar 3 million plus revenues. We added twenty four key customer out of which at least seven have a potential to be USD million dollar plus customers.

Digital contributes forty percent of our revenues. We added two hundred plus technical resources in IT division to support the direction towards the digital and product engineering offerings.

We have a strong balance sheet with shareholder fund of Rupees Three Hundred and Thirty-Eight Crores and cash and bank balance of Rupees Two Hundred Crores. So, some of the reasons which had contributed to margin improvement was on the back of good traction to our engineering and digital practices and discipline in execution.

As I mentioned that company, is cash rich and we have close to two hundred Crores cash in our banks and we are conscious of our responsibility towards the growth as well as to reward our shareholders.

We have given 150 % percent Dividend in January, 2020. It was an Interim Dividend. The company will continue to follow the policy of rewarding shareholders. Also keeping the growth momentum in mind.

As a company we believe, in organic as well as inorganic growth. On the organic side, we keep on expanding our sales team, our product engineering team and this helps us to grow the business. As I mentioned last year we've grown fifteen percent. Also on the inorganic growth, we are open for inorganic acquisitions, but somehow, because of this COVID-19, this process has slowed down. But I think going forward in the next two to three month time, things will become normal and we'll continue to focus on inorganic growth as well.

Coming on to right issue. We do not have any plan as of right issue. As I said, we are sufficiently cashed but I think in future, if we make a big acquisition, or some big strategic decisions are made, we are open for that. But as of now, there is no immediate plan. Coming on to your point on China Apps, these are political decisions, So I would not like to comment on that.

Mr. Chachra has also asked for a question on expansion in Europe and U.S.A.

Mr. Chahcra about Sixty percent of our business comes out of the U.S.A. U.S.A is the biggest market for us, in fact we have grown out of U.S.A. only. Our overseas headquarters is in the U.S.A. and as you would all know that the USA has given trillions of dollars as a stimulus and the growth what I am anticipating which will start in Q4, will be on the back of Customers in U.S.A only. So, as a market U.S.A. is the best market. In fact, Canada has also grown over the years. And now, Canada also contributes around seven to eight percent of our business.

So, between U.S.A. and Canada, we have Sixty-Five percent of our business. And this is a market we like and will continue to grow that. We are in Europe since last several years. Fifteen to sixteen percent of business comes from Europe. In fact, our European businesses is in telecom services, which is least impacted. And, in fact, comparatively, this business has performed much better. This year, among this COVID-19 pandemic, when the telecom industry is doing very well, this is also a likable market for us. We have overseas presence in the UK, and also we are in Romania, Poland and Moldova, and we want to grow this market also, and we will continue to focus on this market as well.

I think I've tried to cover most of the questions, Bhasker, you may move ahead for the meeting.

Mr. Bhasker Dubey-

Thank you, sir, for Replying those questions. So, I believe that we have taken all the unique questions from our shareholders and all the queries have been answered to your satisfaction.

Further, if any queries are not resolved or some questions remain unanswered due to some unavoidable reason, members are requested to please write your query at the designated e-mail id which is investors@rsystems.com and we will try to answer it at the earliest.

I thank the Chairman and other Board members, shareholders and Auditors for their contribution and support and as I can see very good comments in the chat box from Mr. Vimal Jain, Mr. Rishab Jain, Mr. Sanjay Kathpal etc.

So, on behalf of all I convey vote of thanks to the Chair and would also pay my gratitude to all the Directors and also our valuable shareholders for their support and contribution.

As informed earlier that the shareholders who have not casted their vote through remote e-voting can cast their vote now on CDSL e-voting platform. The e-voting window shall remain open for another 15 minutes after conclusion of this meeting. The proceedings of the meeting will be closed after all the members have casted their vote through e-voting i.e. 15 minutes from now.

Thank You. With the consent of the chairperson. The meeting is now concluded.