



R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579

[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]

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REF: SECT/09/2024/03

September 11, 2024

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, PJ Tower Dalal Street Mumbai - 400 001 BSE Scrip Code - 532735
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Dear Sir,

SUB: DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR BUSINESS APPROVED AT THE BOARD MEETING HELD ON SEPTEMBER 11, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), we wish to inform you that the Board of Directors of R Systems International Limited (“**R Systems**”/ “**Amalgamated Company**”), after considering the recommendations of the Audit Committee and the Committee of Independent Directors, at its meeting held today, September 11, 2024, has, *inter alia*, approved the Composite Scheme of Amalgamation of Velotio Technologies Private Limited (“**Velotio**” or “**Amalgamating Company 1**”) and Scaleworx Technologies Private Limited (“**Scaleworx**” or “**Amalgamating Company 2**”) (Amalgamating Company 1 and Amalgamating Company 2 collectively referred to as “**Amalgamating Companies**”) with the Amalgamated Company (Amalgamated Company and Amalgamating Companies collectively referred to as “**Companies**”) (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the “**Act**”). The meeting commenced at 11:36 IST and concluded at 11:53 A.M. IST.

The Scheme, *inter-alia*, provides for the following:

- (a) as a first step,
 - (i) the amalgamation of the Amalgamating Company 1 into the Amalgamated Company;
 - (ii) the dissolution of the Amalgamating Company 1 without winding up or any further act, deed or thing;
 - (iii) the consequent cancellation of the equity shares of the Amalgamating Company 1 held by the Amalgamated Company and the cancellation of the optionally convertible redeemable preference shares of Amalgamating Company 1 (“**Amalgamating Company 1 OCRPS**”) held by the existing holders of Amalgamating Company 1 OCRPS;

- (iv) issuance of optionally convertible redeemable preference shares by the Amalgamated Company to the shareholders holding the Amalgamating Company 1 OCRPS in lieu of the Amalgamating Company 1 OCRPS;

pursuant to the first step, the Amalgamating Company 2 will become a direct and wholly owned subsidiary of the Amalgamated Company;

- (b) as a second step (after the first step is effective),
 - (i) the amalgamation of Amalgamating Company 2 into the Amalgamated Company;
 - (ii) the dissolution of Amalgamating Company 2 without winding up or any further act, deed or thing;
 - (iii) the consequent cancellation of the equity shares of Amalgamating Company 2 held by the Amalgamated Company; and
- (c) various other matters consequential and incidental thereto,

pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof.

The Board of the Amalgamated Company while approving the Scheme, has also *inter alia* taken on record the following:

- (a) Report from the Audit Committee of the Amalgamated Company recommending the Scheme.
- (b) Report from the Committee of Independent Directors of the Amalgamated Company.
- (c) The valuation report dated September 10, 2024 prepared by independent registered valuer, KPMG Valuation Services LLP.
- (d) The fairness opinion dated September 10, 2024 prepared by independent merchant banker, Corporate Professionals Capital Private Limited.
- (e) The certificate issued by M/s. Deloitte Haskins & Sells LLP, the statutory auditor of the Amalgamated Company, confirming that the accounting treatment prescribed in the Scheme is in compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act, read with the rules framed thereunder, and other Generally Accepted Accounting Principles, as applicable.

The Scheme is, *inter alia*, subject to sanction of the National Company Law Tribunal, New Delhi Bench (“NCLT”), and the receipt of necessary approvals/permissions/consents/exemptions/no objections from the BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India (“SEBI”), shareholders and creditors, as may be directed by the NCLT and such other regulatory/governmental authorities or persons, as may be required under applicable law..

The Scheme will be filed with the stock exchanges as per Regulation 37 of the SEBI LODR Regulations read with master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93

'Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957', issued by SEBI on June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI from time to time, as applicable to schemes of arrangement.

The details/ disclosures required under Regulation 30 and Schedule III of the SEBI LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are set out in **Annexure A** (enclosed).

We request you to take the aforesaid on record, and to treat the same as compliance with the applicable provisions of the SEBI LODR Regulations.

Thanking you.

Yours faithfully,

For R Systems International Limited

Bhasker Dubey
(Company Secretary & Compliance Officer)

ANNEXURE A

DISCLOSURE UNDER REGULATION 30 AND SCHEDULE III OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH POINT 1.2 OF PARA A OF ANNEXURE I OF SEBI CIRCULAR NO. SEBI/HO/CFD/CFD-POD-1/P/CIR/2023/123 DATED JULY 13, 2023

1.	Name of the entities forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>(a) R Systems International Limited (“R Systems”/ “Amalgamated Company”) is a public limited company incorporated under the Companies Act, 1956, having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019, India. The equity shares of the Amalgamated Company are listed on BSE Limited and National Stock Exchange of India Limited.</p> <p>(b) Velotio Technologies Private Limited (“Velotio” or “Amalgamating Company 1”) is a private limited company incorporated under the Companies Act, 2013 (“Act”), having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019, India.</p> <p>(c) Scaleworx Technologies Private Limited (“Scaleworx” or “Amalgamating Company 2”) is a private limited company incorporated under the Act, having its registered office at GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019, India.</p> <p>The paid-up share capital, net worth, and turnover of the companies involved in the Scheme are as follows:</p> <table border="1" data-bbox="502 1339 1345 1713"> <thead> <tr> <th>Company</th> <th>Paid-up equity share capital (in INR)</th> <th>Turnover for last financial year (Rs. In mn.)</th> <th>Net worth (Rs. In mn.)</th> </tr> </thead> <tbody> <tr> <td>Amalgamated Company</td> <td>118,303,445/-</td> <td>16,845.18 mn.*</td> <td>8,521.37 mn.*</td> </tr> <tr> <td>Amalgamating Company 1</td> <td>110,813/-^{\$}</td> <td>1,370.21 mn.[#]</td> <td>314.86 mn.[#]</td> </tr> <tr> <td>Amalgamating Company 2</td> <td>114,660/-</td> <td>112.67 mn.[#]</td> <td>50.01 mn.[#]</td> </tr> </tbody> </table> <p>* as per audited consolidated financial for the year ended December 31, 2023. # as per audited financial for the year ended March 31, 2024. \$ Additionally, the paid-up preference share capital of Amalgamating Company 1 is INR 123,850/-.</p>	Company	Paid-up equity share capital (in INR)	Turnover for last financial year (Rs. In mn.)	Net worth (Rs. In mn.)	Amalgamated Company	118,303,445/-	16,845.18 mn.*	8,521.37 mn.*	Amalgamating Company 1	110,813/- ^{\$}	1,370.21 mn. [#]	314.86 mn. [#]	Amalgamating Company 2	114,660/-	112.67 mn. [#]	50.01 mn. [#]
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2.	Whether the transaction would fall within related party transaction? If yes, whether the	The transaction is among the Amalgamated Company, the Amalgamated Company 1 (subsidiary of Amalgamated Company) and Amalgamating Company 2 (wholly owned subsidiary of Amalgamating Company 1).																

	<p>same is done at "arm's length"</p>	<p>Yes, the transaction would be on arm's length basis.</p> <p>The following have been obtained:</p> <p>(a) Valuation report dated September 10, 2024 issued by KPMG Valuation Services LLP (independent registered valuer) and:</p> <p>(b) Fairness opinion dated September 10, 2024 issued by Corporate Professionals Capital Private Limited (Category I Merchant Banker).</p>
<p>3.</p>	<p>Area of business of the entities;</p>	<p>The Amalgamated Company is engaged in the business of digital product engineering, designing and developing chip-to-cloud software products, platforms, and digital experiences.</p> <p>The Amalgamating Company 1 is engaged in the business of outsourced information technology services including outsourced product development and digital product engineering services.</p> <p>Amalgamating Company 2 is engaged in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services.</p>
<p>4.</p>	<p>Rationale for amalgamation/merger</p>	<p>The proposed Scheme would enable integration of the business activities of the companies under a single entity and is thus expected to provide opportunities to unlock potential synergies. The amalgamations pursuant to the Scheme would, <i>inter alia</i>, have the following benefits:</p> <p>(a) Greater operational and management efficiencies;</p> <p>(b) Revenue and cost synergies including commonality of customers, sales and supply chain opportunities which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure;</p> <p>(c) Streamlining of business operations and decision-making process and greater economies of scale, resulting in optimal and efficient utilization of capital;</p> <p>(d) Dedicated and specialized management focus on the specific needs of business vertical;</p> <p>(e) Unified approach on customer engagement delivering greater brand value;</p> <p>(f) Unification and streamlining of management of legal and regulatory compliances;</p>

		<p>(g) Greater economic value for the shareholders of the Amalgamated Company; and</p> <p>(h) Upon the Scheme becoming effective, the authorised share capital of the Amalgamated Company shall stand increased and reclassified without any further act, instrument or deed on the part of the Amalgamated Company and the stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Company 1 and Amalgamating Company 2 shall be utilized and applied to the increased authorized share capital of the Amalgamated Company.</p>																								
5.	In case of cash consideration – amount or otherwise share exchange ratio;	<p>Upon the Scheme coming into effect and in consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act, deed, consent or instrument, issue and allot in accordance with the ratio of Four Thousand One Hundred and Sixty Seven (4,167) OCRPS of R Systems of INR 1/- each fully paid for every One Hundred (100 Only) Velotio OCRPS of INR 1/- each fully paid up (“Swap Ratio”) to the existing holders of optionally convertible redeemable preference shares of Amalgamating Company 1.</p> <p>Further, upon amalgamation of Amalgamating Company 1 into Amalgamated Company, Amalgamating Company 2 will be a wholly owned subsidiary of Amalgamated Company. Therefore, there will be no issue of shares or discharge of any consideration pursuant to the amalgamation of Amalgamating Company 2 with the Amalgamated Company.</p>																								
6.	Brief details of change in shareholding pattern (if any) of listed entity.	<p>The brief details of the shareholding of the Amalgamated Company pre and post the scheme are as follows as of September 11, 2024.</p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Before Scheme (as on September 11, 2024)</th> <th colspan="2">Post Scheme</th> </tr> <tr> <th>No. of equity shares*</th> <th>% of equity shares*</th> <th>No. of equity shares*</th> <th>% of equity shares*</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>61,433,005</td> <td>51.93%</td> <td>61,433,005</td> <td>49.76</td> </tr> <tr> <td>Public</td> <td>56,870,440</td> <td>48.07%</td> <td>62,031,273</td> <td>50.24</td> </tr> <tr> <td>Total</td> <td>118,303,445</td> <td>100%</td> <td>123,464,278</td> <td>100%</td> </tr> </tbody> </table> <p>* on fully diluted basis</p> <p>Note: Apart from the above, the Amalgamated Company has issued Restricted Stock Unit(s) to employees of the Amalgamated Company and its subsidiaries under the Management Incentive Plan 2023.</p>	Category	Before Scheme (as on September 11, 2024)		Post Scheme		No. of equity shares*	% of equity shares*	No. of equity shares*	% of equity shares*	Promoters	61,433,005	51.93%	61,433,005	49.76	Public	56,870,440	48.07%	62,031,273	50.24	Total	118,303,445	100%	123,464,278	100%
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