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
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Caring - Innovating - Transforming

REF: SECT/10/2017/02 OCTOBER 05, 2017

To

The General Manager
BSE Limited
Department of Corporate Services,
Rotunda Building, 1st Floor,
Mumbai Samachar Marg, Fort,
Mumbai - 400 001

Dear Sir,

SUB: REPLY TO QUERIES RAISED IN RESPECT OF APPLICATION UNDER REGULATION 37 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 FOR SCHEME OF AMALGAMATION BETWEEN GM SOLUTIONS PRIVATE LIMITED ("GM SOLUTIONS/ AMALGAMATING COMPANY") AND R SYSTEMS INTERNATIONAL LIMITED ("R SYSTEMS"/AMALGAMATED COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

With the reference to our letter Ref. No. SECT/09/2017/9 dated September 27, 2017 ("Application") and the queries raised by you, please find below our replies:-

Query 1:- Update GST details on BSE listing centre.

Reply:- We have already updated GST number of R Systems International Limited with BSE Limited on August 06, 2017 at BSE Listing Centre Portal (Copy enclosed as **Annexure-A1**). However, we are again submitting GST details of R Systems International Limited as **Annexure-A2**.

Query 2:- In tab 4, upload valuation report as per the valuation table as the same is required to be updated as per the SEBI format. Also, provide workings of the values derived along with the SEBI format. Also, provide workings for price derived by pricing provisions of SEBI ICDR.

Reply:- A valuation report from an independent Chartered Accountant i.e. CA Praveen Kumar Verma, Chartered Accountant has been obtained and enclosed as **Annexure- B** (*also enclosed as Annexure C at page 42 of the Application*). Clause 5.1 of the valuation report states as follows:

5.1 "As informed earlier, GM Solutions holds 29,746,353 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

For R Systems International Ltd.

Company Secretary

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.****"*

Further, a clarification on compliance of pricing provisions of ICDR Regulations for the proposed amalgamation has been provided by the valuer and enclosed herewith as **Annexure- C** (*also enclosed as Annexure J at page 89 of the Application*). Para 4 of the said clarification states as follows:

"In consideration of all relevant factors and circumstances discussed above, in our view, ***the valuation methods as per ICDR regulations would not be relevant/applicable to determine the number of shares to be issued by R Systems pursuant to amalgamation of GM Solutions.***

Basis the above discussion and in view of the fact that no additional shares are being issued by R Systems to the shareholders of GM Solutions, the pricing guidelines under ICDR regulations would have no relevance to determine the swap ratio.

Therefore, in the light of the above facts, you are requested to please consider the enclosed valuation report and clarifications issued by CA Praveen Kumar Verma, Chartered Accountant.

Query 3:- Annexure I for both companies on their respective letterheads and upload copy of audited financials of R Systems of latest quarter (June quarter) along with auditor report/LRR.

Reply:- Please note that the financial details of R Systems International Limited and GM Solutions Private Limited has been provided as Annexure G1 and G2 of the Application at page Number 74 and 84, respectively. As required we are enclosing the same on the respective letterheads of R Systems International Limited and GM Solutions Private Limited as **Annexure-D**.

Further, the standalone audited results along with auditors report and consolidated unaudited results along with limited review report of R Systems International Limited for the quarter ended March 31, 2017 and June 30, 2017 have been uploaded in tab 08 under the head "Documents uploaded (as per checklist)". The same were also provided with the Application on page number 75 to 83 and page number 122 to 134. We are again enclosing the financials of R Systems International Limited for the quarters ended March 31, 2017 and June 30, 2017 as **Annexure-E**.

For R Systems International Ltd.

Company Secretary

Query 04:- Upload copy of details of Directors and Promoters on company's respective letterhead and attach copy in any other document tab along with the documents already attached in it.

Reply:- The details of Promoters and Directors of R Systems International Limited and GM Solutions Private Limited has been provided in the scheme of Amalgamation submitted with the Application as Annexure B at Page number 15. However, we are again enclosing the same as **Annexure F.**

Query 05:- In tab 17-, upload Annexure VI on letterhead of R systems International Ltd along with copy of GM Solutions Pvt. Ltd.

Reply:- We have uploaded Annexure VI i.e. details of Capital Evolution in respect of R Systems International Limited at tab 16. However, we are enclosing the capital evolutions of R Systems International Limited and GM Solutions Private Limited on the respective Letter heads as **Annexure G**.

Query 06:- In tab 20 upload copy of audited financials for last one year of GM Solutions Pvt. Ltd. (unlisted co) along with Annual reports of both the companies.

Reply:- Please note that in tab 19 under the head "Documents uploaded (as per checklist)", we have already uploaded the Annual Report (Including Financials) of R Systems International Limited for the last three Financial Years ended on December 31, 2014, December 31, 2015 and December 31, 2016 as Annexure S1.

For GM Solutions Private Limited, we have uploaded the Annual Report (Including Financials) for the last three financial years ended on March 31, 2017, March 31, 2016 and March 31, 2015 as Annexure S2.

Query 07:- Cheque towards payment for fees is still not received, kindly send it if not sent.

Reply:- We have already sent cheque of BSE Limited vide Blue Dart receipt No.15280289975 dated September 28, 2017.This has been received at your office on September 29, 2017. Please find enclosed the delivery status of the said docket as **Annexure-H.**

Please do write to the undersigned, if you need any details

Thanking You,

Yours faithfully,

For **R Systems International Limited**

R SYSTEMS INTERNATIONAL LTD.

Ashish Thakur
(Company Secretary & Compliance Officer)

ANNEXURE-B

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. 504986

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For R Systems International Ltd.

Company Secretary

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

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For R Systems International Ltd.
Company Secretary

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

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For R Systems International Ltd.
Company Secretary

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

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For R Systems International Ltd.
Company Secretary

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

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For R Systems International Ltd.
Company Secretary

ANNEXURE - C

CA PRAVEEN KUMAR VERMA, FCA
CHARTERED ACCOUNTANT

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

20th September, 2017

Mr. Ashish Thakur

Company Secretary

R Systems International Limited

B-104 A, Greater Kailash Part 1,

New Delhi 110048

Dear Sir,

Sub: **Clarification on compliance of pricing provisions of ICDR regulations for the proposed amalgamation of GM Solutions Private Limited into R Systems International Limited.**

With reference to your query on compliance of pricing provisions of ICDR regulations our clarification/response is as under:

1. As per the draft Scheme of Amalgamation ("Scheme") for the proposed amalgamation of GM Solutions Private Limited (hereinafter referred to as "GM Solutions") into R Systems International Limited (hereinafter referred to as " R Systems " or the "Company"), R Systems is issuing same number of equity shares to the shareholders of GM Solutions as held by GM Solutions in R Systems. Upon the Scheme becoming effective, the existing equity shares held by GM Solutions shall stand cancelled. Thus, no additional shares are being issued to shareholders of GM Solutions and there would be no impact on the shareholding of other shareholders of R Systems. The capital of R Systems will not undergo any change pursuant the proposed Scheme.

2. Further as on date, as certified and represented by the management of GM Solutions, the net worth of GM Solutions is positive and no additional shares are being issued against any excess Net Assets of GM Solutions.

3. The amalgamation is precisely cancellation of equity shares held by GM Solutions and re-issue of same number of equity shares to the shareholders of GM Solutions without increasing promoter and promoter group (and their relatives) shareholding of R Systems or affecting the interest of other shareholders.

CA Praveen Kumar Verma
Membership No. 504686

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For R Systems International Ltd.

Company Secretary

4. In consideration of all relevant factors and circumstances discussed above, in our view, the valuation methods as per ICDR regulations would not be relevant / applicable to determine the number of shares to be issued by R Systems pursuant to amalgamation of GM Solutions.

Hope the above clarifies. Should you need further assistance, please feel free to contact us.

Thanking you,
Yours faithfully,

CA Praveen Kumar Verma
Membership No. 504686

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

CERTIFIED TRUE COPY

For R Systems International Ltd.

Company Secretary