R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307
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REPORT OF AUDIT COMMITTEE OF R SYSTEMS INTERNATIONAL LIMITED DATED OCTOBER 25, 2019

PRESENT MEMBERS:

1. Mrs. Ruchica Gupta (Non-Executive Independent Director), Chairperson of the Committee
2. Lt. Gen. Baldev Singh (Retd.) (President & Senior Executive Director), Member of the Committee
3. Mr. Kapil Dhameja (Non-Executive Independent Director), Member of the Committee
4. Mr. Aditya Wadhwa (Non-Executive Independent Director), Member of the Committee

IN ATTENDANCE:

Mr. Bhasker Dubey, Company Secretary & Compliance Officer

INVITEE:

Mr. Nand Sardana, Chief Financial Officer

1. Background

The Company has placed before the Audit Committee a draft Scheme of Amalgamation ('the Scheme') between RightMatch Holdings Limited ("RightMatch" or "Amalgamating Company") and R Systems International Limited ("R Systems" or "Amalgamated Company" or "Company") and their respective shareholders and creditors for recommendation of the Scheme by the Audit Committee to the Board of Directors of the Company in accordance with the

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requirement of the Securities and Exchange Board of India ("**SEBI**") circular No. CFD/DIL3/CIR/2012/21 dated March 10, 2017("**Circular**").

This report of the Audit Committee is made in order to comply with the requirements of the Circular after considering the following necessary documents:

i. Draft Scheme of Amalgamation;

ii. Share Valuation Report dated October 24, 2019 issued by Jain Gandharv & Associates in the capacity of Chartered Accountants to comply with the SEBI guidelines and by Gandharv Jain in the individual capacity as Registered Valuer to comply with the applicable provisions of the Companies Act, 2013

iii. Fairness Opinion Report dated October 25, 2019 issued by Corporate Professionals Capital Private Limited.

2. Proposed Scheme of Amalgamation

The Audit Committee has observed that the Scheme is in the interest of shareholders, creditors and employees on account of the following reasons:-

- This Scheme of Amalgamation (hereinafter called 'Scheme') has been propounded under Sections 230-232 and Section 234 and other applicable provisions, if any of the Companies Act, 2013 and Sections 261 to 264 and other applicable provisions, if any, of the Mauritius Companies Act, 2001, for amalgamation of RightMatch with R Systems.
- RightMatch forms part of the promoter and promoter group of R Systems. It presently holds 8,828,489 equity shares constituting about 7.34% of total paid-up equity share capital of R Systems.
- Pursuant to the proposed amalgamation, individual shareholders of RightMatch who are part of promoter and promoter group of R Systems ('Promoters') would

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directly hold the shares in R Systems which are currently held by RightMatch in the proportion as they hold through RightMatch.

- This amalgamation would not only lead to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the Promoters' 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 and Promoter Group shareholding of R Systems as a result of amalgamation of RightMatch into R Systems. The Promoter and Promoter Group of R Systems would continue to hold the same percentage of shares in R Systems, pre and post the amalgamation of RightMatch 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 RightMatch 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 RightMatch or which may devolve on R Systems on account of this amalgamation.

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

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3. **The salient features of the Scheme are as under:**

- The scheme provides for amalgamation of RightMatch with R Systems through a National Company Law Tribunal approved Scheme of Amalgamation.
- The Appointed Date of the Scheme is fixed as January 01, 2020.
- The equity shares held by RightMatch in R Systems will get cancelled and in exchange same number of equity shares would be issued to the shareholders of RightMatch in the same proportion of their respective shareholding in RightMatch.
- The Scheme will not result in any change in shareholding of Promoter and Promoter Group as well as public shareholders of R Systems.

4. **Recommendation of Audit Committee**

- The Audit Committee recommends Scheme of Amalgamation inter – alia taking into consideration Share Valuation Report dated October 24, 2019 issued by Jain Gandharv & Associates in the capacity of Chartered Accountants to comply with the SEBI guidelines and by Gandharv Jain in the individual capacity as Registered Valuer to comply with the applicable provisions of the Companies Act, 2013
- and Fairness Opinion Report dated October 25, 2019 issued by Corporate Professionals Capital Private Limited for favorable consideration by the Board, Stock Exchanges and SEBI, National Company Law Tribunal.

For **and on behalf of Audit Committee**
R Systems International Limited

Ruchica Gupta
(Non-Executive Independent Director)
DIN: 06912329

Date: October 25, 2019
Place: NOIDA

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