**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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**KIND ATTN : MR. HARI K / MR. ANEESH KUMAR**

REF: SECT/12/2015/03 December 06, 2015

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

Dear Sir,

**SUB: CORPORATE DISCLOSURE UNDER SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR BUSINESS APPROVED AT THE BOARD MEETING**

This is with reference to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Uniform Listing Agreement entered into by R Systems International Limited (the "Company"). We wish to inform you as required in terms of Regulation 30 and other applicable provisions of the Listing Regulations that the Board of Directors of R Systems International Limited at its meeting held on December 06, 2015 commenced at 10:00 A.M. and concluded at 12:10 P.M. has approved the merger of R Systems Solutions, Inc., into R Systems Inc., wholly owned subsidiaries of the Company based in U.S.A.

Further, details as required to be disclosed pursuant to Para A of Part A of schedule III of the Listing Regulations read with R Systems International Limited's policy for determining the materiality of events are enclosed as **Annexure – I**.

This is for your information and record.

Thanking you.

Yours faithfully,

**For R Systems International Limited**

**Ashish Thakur**
**(Company Secretary & Compliance Officer)**

**Annexure - I**

**Details as required to be disclosed pursuant to Para A of Part A of schedule III of the Listing Regulations read with R Systems International Limited's policy for determining the materiality of events**

| | | | |
|---|---|---|---|
| a. | Name of the entity(ies) forming part of the merger, details in brief such as, size, turnover etc. | : | R Systems Inc., U.S.A. ("RSI") is a wholly owned subsidiary of the R Systems International Limited and is based in U.S.A.<br><br>As per latest financial statement for Nine months ended September 30, 2015 the net worth (excluding deferred tax assets) of RSI was USD 5,663,313 as against USD 4,900,737 as at December 31, 2014. The revenue for the nine months ended September 30, 2015 was USD 16,310,597 as against USD 21,684,479 for the year ended December 31, 2014.<br><br>R Systems Solutions, Inc. U.S.A ("RSSI") is also a wholly owned subsidiary of the R Systems International Limited and is based in U.S.A.<br><br>As per latest financial statement for Nine months ended September 30, 2015 the net worth (excluding deferred tax assets) of RSSI was USD 990,596 as against USD 1,339,586 as at December 31, 2014. The revenue for the nine months ended September 30, 2015 was USD 1,398,473 as against USD 5,809,680 as at December 31, 2014. There was significant reduction in the revenue of RSSI during 2015. |
| b. | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length" | : | The above said transaction is a related party transaction as both entities (RSI and RSSI) are wholly owned subsidiaries of R Systems International Limited (RSIL) and have certain common directors. The aforesaid merger is at arm's length based on valuation done by an independent valuer. |

R SYSTEMS INTERNATIONAL LTD.

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|---|---|---|---|
| c. | Area of business of the entity(ies) | : | RSI, provide information technology services for customers primarily in the United States of America.<br><br>Whereas, RSSI provides technical support and customer care primarily in the United States of America. |
| d. | Rationale for merger | : | Since both entities are 100% subsidiaries of RSIL, the rationale for the merger is to consolidate infrastructure and support staff costs to get cost synergies. |
| e. | In case of cash consideration – amount or otherwise share exchange ratio | : | RSIL shall surrender its shares in RSSI in exchange for shares of RSI. The share exchange ratio is 0.000006 (i.e. RSIL shall receive 150 shares of RSI against its shareholding in RSSI) based on valuation done by an independent valuer) Further, RSSI shall be merged into RSI and RSI shall be the surviving entity. |
| f. | Brief details of change in shareholding pattern (if any) of listed entity | : | There will be no change in shareholding pattern of R Systems International Limited. |

