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R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
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EXTRACT OF THE MINUTES OF THE MEETING OF BOARD OF DIRECTORS (THE "BOARD") OF R SYSTEMS INTERNATIONAL LIMITED (THE "COMPANY") HELD AT C - 40, SECTOR - 59, NOIDA - 201 307 (U.P.) INDIA ON DECEMBER 20, 2014 AT 08:00 P.M.

BUY BACK OF EQUITY SHARES

"RESOLVED THAT pursuant to the provisions of Article 70 of the Articles of Association of the Company and in accordance with the provisions of Section 68, Section 69, Section 70 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as **"the Act"**), the Companies Act, 1956 (to the extent not repealed) and the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (hereinafter referred to as **"the Regulations"**) (including any amendments, statutory modification(s) or the re-enactments of the said Act or Rules framed thereunder from time to time or the Regulations, for the time being in force) and subject to such approvals, permissions and sanctions as may be necessary and further subject to such conditions and modification as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as **"the Board"**), the consent of the Board be and is hereby accorded to the Company to purchase or buy-back its fully paid up equity shares of the face value of Re. 1/- each for a total consideration not exceeding Rs. 600 lakhs (Rupees Six Hundred Lakhs only) **(the "Maximum Buy-Back Size")** to be financed out of the Company's free reserves and / or securities premium account, being less than 10% of the total paid up equity capital and free reserves of the Company as per the last audited accounts i.e. September 30, 2014 and at a price not exceeding Rs. 100 (Rupees One Hundred only) per Equity Share **("the Maximum Buy-Back Price")**, payable in cash (the process being referred hereinafter as **"Buy-Back"**) from its existing shareholders, other than those who are promoters, promoter group, persons who are in control of the Company (such shareholders hereinafter referred to collectively as **"Persons in Control"**) in one or more tranches, from open market through the Stock Exchanges, subject to Maximum Buy-Back price, the Company can buy-back upto a maximum of 25% of the total paid up equity capital of the Company as on date and subject to acquisition of shares not exceeding 9,500,000 (Ninety Five Lakhs only) equity shares and the Maximum Buy-Back Size and the Maximum Buy-Back Price does not include brokerage costs, Securities & Exchange Board of India (**"SEBI"**) turnover charges, taxes such as securities transaction tax, service tax and relevant stamp duty (collectively referred to as **"Transaction Costs")**.

RESOLVED FURTHER THAT the Buy-back shall be completed within a period of 6 (six) months from the date of opening of the Buy-back (or such extended period as may be permitted under the Act or the Regulations or the appropriate authorities) through open market purchases; or any other method as may be prescribed under the Act and the Regulations and as may be determined from time to time by the Board at their absolute and unqualified discretion.

RESOLVED FURTHER THAT the Buy-back be and is approved subject to approval(s) as may be necessary from time to time from statutory and regulatory authorities.

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

RESOLVED FURTHER THAT the confirmation is hereby made by the Board:

I. that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

(a) that immediately following the date of convening of this meeting, there will be no grounds on which the Company could be found unable to pay its debts; and

(b) as regards its prospects for the year immediately following the date of this meeting, having regard to its intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this meeting; and

II. that in forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, 2013 (including prospective and contingent liabilities).

RESOLVED FURTHER THAT the Board in its absolute discretion may decide to close the Buy-back at any time provided the Minimum Buy-Back Size has been utilized under the Buy-back even if the Maximum Buy-Back Size has not been exhausted, by giving appropriate notice of such earlier date and completing all formalities in this regard as per relevant laws and regulations.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholder to offer or any obligation on the part of the Company or the Board to Buy-back any shares or to terminate any process in relation to the Buy-back, if so permissible by law.

RESOLVED FURTHER THAT the Buyback from non-resident shareholders, shareholders of foreign nationality etc. shall be subject to such approvals, if any, as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under.

RESOLVED FURTHER THAT the confirmation is hereby made by the Board:

i) that the Company shall not purchase shares under the buy-back from the Promoters and Persons in Control as per regulation 15(b) of the Regulations.

ii) that the Company has noted that the Company shall not issue any Equity Shares or other securities including by way of bonus till the date of closure of the Buy-back;

iii) that as per the regulation 19(f) of the Regulations and in compliance of the provisions of section 68(8), the Company will not issue fresh equity shares within a period of 12 (twelve) months after the completion of Buy-back except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;

iv) that the Company shall not acquire Equity Shares in the Buy-back such that the aggregate shareholding of the promoters, persons in control, promoter group and persons acting in concert, pursuant to the Buyback increases by equal to or more than 5% of the voting rights of the Company at any point during the Buyback.

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Company Secretary

v) that the Company shall not purchase partly paid-up equity shares or equity shares with call-in-arrears under the Buy-back;

vi) that the Company shall not Buy-back the locked in equity shares and non-transferable equity shares till the pendency of the lock-in or till the equity shares become transferable;

vii) that the Company shall not Buy-back its shares from any person through negotiated deal whether on or off the stock Exchanges or through spot transaction or through any private arrangement in the implementation of Buy-back

viii) that there are no defaults subsisting on the repayment of deposits, redemption of debentures or preference shares and loans to any financial institutions or banks;

ix) that the Buy-back is proposed to be completed within a period of 6 (six) months from the date of opening of the Buy-back and

x) that the ratio of the debt owed by the company is not more than twice the capital and its free reserves after the Buy-back as prescribed under the Act.

RESOLVED FURTHER THAT in accordance with the provision of Section 68(6) of the Act, the Declaration of Solvency along with annexure thereof, as placed before the Board and initialed by the Chairman for the purposes of identification, be and is hereby approved and Mr. Satinder Singh Rekhi, Managing Director and Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director of the Company be and are hereby, jointly and/or severally, authorized to sign, execute, submit and deliver the same to the appropriate authorities.

RESOLVED FURTHER THAT the draft of the Public Announcement as required under Regulations 15(d) read with 15(c) of the Regulations or such other provisions ("**Announcement**"), as placed before the Board and initialed by the Chairman, be and is hereby approved and that Mr. Satinder Singh Rekhi, Managing Director, Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director and Mr. Ashish Thakur, Company Secretary and Compliance Officer, be and are hereby, jointly and/or severally, authorized to sign, execute and deliver, modify the Public Announcement and any other documents required for the Buy-back, as per the requirements of the Regulations or the Act.

RESOLVED FURTHER THAT Mr. Satinder Singh Rekhi, Managing Director, Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director, Mr. Raj Swaminathan, Director and Chief Operating Officer, Mr. Nand Sardana, Chief Financial Officer and Mr. Ashish Thakur, Company Secretary and Compliance Officer of the Company be and are hereby authorized, jointly and severally, to determine the number of equity shares to be bought back, amount to be utilized towards the buy-back, the price range for transactions in the Buy-back within the aforesaid Maximum Buy-Back Size and the Maximum Buy-Back Price, the source, the mechanism and the time frame thereof and completion of the modalities for the closure of the Buy-back.

RESOLVED FURTHER THAT Mr. Satinder Singh Rekhi, Managing Director, Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director, Mr. Raj Swaminathan, Director and Chief Operating Officer, Mr. Nand Sardana, Chief Financial Officer and Mr. Ashish Thakur, Company Secretary & Compliance Officer of the Company be and are hereby authorized, jointly and severally, to do all such acts, deeds, matters and things as may be necessary, expedient or proper with regard to the implementation of the Buy-back, including:

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Company Secretary

i) the appointment of Merchant Banker, Brokers, Solicitors, Registrars, Escrow Agent, Advertisement Agency, Compliance Officer, Investor Service Centers and other Advisors, Consultants or Representatives incidental to the implementation of the Buy-back;

ii) to execute such deeds, forms, demat accounts and for such other documents to facilitate Merchant Banker, Brokers, Solicitors, Registrars, Advertisement Agency, appointment of investor Service Centers and other Advisors, Consultants or Representatives incidental to the implementation of the Buy-back;

iii) the making of all applications to the appropriate authorities for their requisite approvals;

iv) the initiating of all necessary actions for publication and issue of Public Announcement;

v) to stipulate a minimum amount that will be spent on the Buy-back;

vi) to initiate all necessary actions for preparation and issue of Public Notice and Public Announcement and filing thereof with Securities and Exchange Board of India (SEBI) / Stock Exchange(s) and other authorities and also the certificate of Declaration of Solvency and all other documents required to be filed in the above connection with the necessary authorities and for extinguishment and physical destruction of share certificates in respect of shares bought back;

vii) the opening, operation and closure of all necessary accounts such as Demat Account and Depositary Account;

viii) the initiating of all necessary actions for escrow arrangement including opening of escrow account, deposit of necessary funds in escrow and issue of bank guarantee;

ix) the setting of all such questions, difficulties or doubts whatsoever which may arise in connection with the Buy-back so as to take all such steps and decisions in this regard;

x) to delegate all or any of the authorities conferred as above to any Officer(s) / Authorized Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or Advisors and

xi) to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper.

RESOLVED FURTHER THAT the Common Seal of the Company be affixed if required, on any document relating to the proposed Buy-back, as per provisions contained in the Articles of Association of the Company."

DECLARATION OF SOLVENCY:

"RESOLVED THAT pursuant to a full inquiry into the affairs of the Company, the Board do hereby declare having formed the opinion that the Company is capable of meeting its liabilities and will not be rendered insolvent within a period of one year from the date of this declaration.

RESOLVED FURTHER THAT the Board do approve the text of Declaration of Solvency as required to be made pursuant to Section 68(6) of the Companies Act, 2013 and Regulation 8(7) of the Regulations, as per text tabled before the Board and initialed by the Chairman for the purpose of identification and the same shall be signed by Mr. Satinder Singh Rekhi, Managing Director and Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director.

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

RESOLVED FURTHER THAT the above said signatories to the Declaration of Solvency do swear to an affidavit as required under Section 68(6) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Affidavit and Declaration as aforesaid, be filed with Registrar, with the Securities and Exchange Board of India as required pursuant to Section 68(6) of the Companies Act, 2013 and Regulation 8(7) of the Regulations."

ADOPT STATEMENT OF ASSETS AND LIABILITIES:

"RESOLVED THAT in terms of Section 68(6) of the Companies Act, 2013 read with Regulation 8(7) of the Regulations, the Board do adopt the Statement of Assets and Liabilities in the prescribed Form as at September 30, 2014 as per draft placed before the Board and initialed by the Chairman for the purpose of identification and that the same be signed by Mr. Satinder Singh Rekhi, Managing Director and Lt. Gen. Baldev Singh (Retd.), President and Senior Executive Director.

RESOLVED FURTHER THAT the said Statement of Assets and Liabilities be appended to the Declaration of Solvency to be filed with the Registrar of Companies, NCT of Delhi and Haryana and with the SEBI."

CERTIFIED TRUE COPY

For R SYSTEMS INTERNATIONAL LTD.

Company Secretary