



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/11/2023/25

NOVEMBER 28, 2023

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, Rotunda Building, 1 st Floor, Mumbai Samachar Marg, Fort, Mumbai - 400 001 BSE Scrip Code - 532735
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Dear Sir,

SUB: DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is with reference to the Regulation 30 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”). We are pleased to inform you that, the board of directors of Velotio Technologies Private Limited, a subsidiary of the Company (“**Velotio**”), has approved the acquisition of additional 60% (sixty per cent) equity shares of Scaleworx Technologies Private Limited, a company incorporated under the Companies Act, 2013, and having a business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services (“**Scaleworx**”).

Velotio as on date, already holds 40% (forty per cent) equity shares of Scaleworx and hence is an associate company of Velotio. Post the acquisition of the remaining 60% (sixty per cent) equity shares, Scaleworx will become a wholly-owned subsidiary of Velotio.

Disclosures pursuant to SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, on disclosure of events/ information by listed entities under Regulations 30 and 30A of the Listing Regulations is enclosed herewith as Annexure A.

Thanking you

Yours Faithfully,
For **R Systems International Limited**

Bhasker Dubey
(Company Secretary & Compliance Officer)

Annexure A

Disclosure under Reg. 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Details of acquisition – Scaleworx Technologies Private Limited

Sl.No.	Particulars	Details
a)	Name of the target entity, details in brief such as size, turnover etc.;	<p>Acquisition of 60% (sixty per cent) of the equity share capital of Scaleworx Technologies Private Limited (“Scaleworx” or “Target”) by Velotio Technologies Private Limited, a subsidiary of the Company (“Velotio” and such transaction, (“Transaction”).</p> <p>The turnover of Scaleworx is INR 128,567,489/- (Indian Rupees Twelve Crores Eighty Five Lakh Sixty Seven Thousand Four Hundred and Eighty Nine) in financial year (“FY”) 2022-2023.</p> <p>Net worth of the Target is INR 49,353,236/- (Indian Rupees Four Crores Ninety Three Lakh Fifty Three Thousand Two Hundred and Thirty Six) as at March 31, 2023.</p>
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;	<p>As on date, Velotio holds 40% (forty per cent) of the equity share capital of Scaleworx, therefore, Scaleworx is an associate company of Velotio and hence the Transaction is a related party transaction.</p> <p>Further, promoter/ promoter group is not interested in the Transaction, except to the extent of their shareholding in R Systems International Limited, holding company of Velotio.</p> <p>The transaction is done at arm’s length basis.</p>
c)	Industry to which the entity being acquired belongs;	Scaleworx is in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	With this acquisition, the Company will be able to deepen its product engineering capabilities in, DevOps and digital product engineering services.

e)	Brief details of any Governmental or regulatory approvals required for the acquisition;	None
f)	Indicative time period for completion of the acquisition;	Completion of the acquisition of 60% (sixty per cent) of the equity share capital of Scaleworx by Velotio as per the Share Purchase Agreement dated November 28, 2023 entered into between Mr. Rohan Hariom Gupta (“ Seller ”), Velotio and Scaleworx (“ SPA ”) is subject to the fulfilment of the conditions precedent as set out under the SPA.
g)	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration
h)	Cost of acquisition or the price at which the shares are acquired;	The total upfront consideration for 60% (sixty per cent) equity share capital of the Target shall be up to INR 55,500,000/- (Indian Rupees Five Crore Fifty Five Lakhs) (including payment of Retention Bonus (<i>as defined in the SPA</i>) to the Identified Employees (<i>as defined in the SPA</i>)) on such terms and conditions as mentioned in the SPA.
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	Velotio will acquire 60% (sixty per cent) equity share capital of Scaleworx as per the SPA. Post the acquisition, the total equity shareholding in Scaleworx held by Velotio shall be 100% (one hundred per cent).
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years’ turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>Scaleworx is a company incorporated under the Companies Act, 2013 and is in the business of information technology relating to DevOps consulting, infrastructure management, outsourced product development and digital product engineering services.</p> <p>Scaleworx’s turnover for the past three years has been as follows:</p> <ol style="list-style-type: none"> a. FY 2020-2021: INR 5,264,846/- (Indian Rupees Fifty Two Lakhs Sixty Four Thousand Eight Hundred and Forty Six); b. FY 2021-2022: INR 62,655,492/- (Indian Rupees Six Crore Twenty Six Lakh Fifty Five Thousand Four Hundred and Ninety Two); and c. FY 2022-2023: INR 128,567,489/- (Indian Rupees Twelve Crores Eighty Five Lakh Sixty Seven Thousand Four Hundred and Eighty Nine).