

LETTER OF OFFER (“LOF”)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of **R Systems International Limited** (hereinafter referred to as “**RSIL**” or “**the Company**” or the “**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager / Registrar to the Open Offer. In case you have sold your equity shares in the Target Company, please hand over this LOF and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

Mr. Bhavook Tripathi (“**Acquirer**”), having residential address at Shree Goverdhan Nath Housing Society, North Main Road, Lane B, Koregaon Park, Pune – 411001 Tel No. 020-241224991



**MAKES AN OFFER TO THE EXISTING SHAREHOLDER(S) OF
R SYSTEMS INTERNATIONAL LIMITED**

Registered Office: B-104A, Greater Kailash – I, New Delhi – 110 048
(Tel: 011-32596619, Fax: 0120-2587123, Email: rsil@india.rsystems.com)

TO ACQUIRE

33,38,042 Equity Shares of ₹10/- each representing 26% of the issued, subscribed, paid up equity share and voting capital of the Company comprising of 1,28,38,621 fully paid up equity shares (on fully diluted basis) (“**Equity Shares**”) at a price of ₹150.75 (Rupees One Hundred Fifty and Paise Seventy Five Only) per fully paid-up Equity Share (“**Offer Price**”), in cash (“**Open Offer**”).

1. This Open Offer is being made by the Acquirer pursuant to regulation 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”) for substantial acquisition of share and voting rights.
2. The Open Offer is not subject to any minimum level of acceptance.
3. If there is any upward revision in the Offer Price by the Acquirer upto 3 working days prior to the commencement of the tendering period i.e. up to 1st January, 2013 or withdrawal of the Open Offer in terms of the SEBI (SAST) Regulations, the same would be informed by way of the Offer Opening Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revised offer price would be payable for all the Equity Shares, tendered anytime during the Tendering Period.
4. Since certain Equity Shares being acquired under the Open Offer may have to be acquired from persons resident outside India who have acquired their shares other than as “*foreign direct investment*”, under the extant foreign policy of the RBI, the Acquirer has made an application to RBI dated 15th December 2011 seeking approval for the acquisition of shares pursuant to the Open Offer from non-resident Shareholders. RBI, *vide* its reply dated 19th December 2011 granted approval to acquire Equity Shares through the Open Offer from the eligible shareholders subject to certain conditions. For a detailed status of the statutory approvals please refer to paragraph 7.13 of this Letter of Offer.
5. This is not a competing offer under regulation 20 of SEBI (SAST) Regulations. There has been no competing offer made as on the date of this LOF.
6. Form of Acceptance cum Acknowledgement is enclosed with this Letter of Offer.
7. A copy of PA, DPS, 1st Supplemental PA, 2nd Supplemental PA and Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on website of SEBI (www.sebi.gov.in) and Manager to the Offer (www.kjmc.com)
8. All correspondence relating to this Open Offer, if any, should be addressed to the Registrar to the Open Offer viz. Link Intime India Private Limited.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>KJMC ADVICE MATTERS KJMC Corporate Advisors (India) Ltd (formerly KJMC Global Market (India) Ltd) 168, 16th Floor, Atlanta, Nariman Point, Mumbai 400 021. Telephone: +91 22 4094 5500 Fax: +91 22 2285 2892. Email: rsil.offer@kjmc.com Contact Person: Ms. Sangeeta Sanghvi / Mr. Swapnilsagar Vithalani SEBI Regn. No.: INM000002509</p>	 <p>LINK INTIME INDIA PVT LTD Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078 Telephone: +91 22 2596 7878, Fax: +91 22 2596 0329 Email: rsil.offer@linkintime.co.in Contact Person: Mr. Pravin Kasare SEBI Regn. No.: INR000004058</p>

OFFER OPENS ON: 4th January, 2013

OFFER CLOSES ON: 17th January, 2013

The schedule of major activities relating to the Open Offer is as follows:

Activity	ORIGINAL		REVISED	
	Date	Day	Date	Day
Public Announcement sent to stock exchanges.	15 th December, 2011	Thursday	15 th December, 2011	Thursday
Detailed Public Statement (DPS) published in the newspapers	22 nd December, 2011	Thursday	22 nd December, 2011	Thursday
Last date for announcement of competing offers	12 th January, 2012	Thursday	12 th January, 2012	Thursday
Identified Date*	31 st January, 2012	Tuesday	20 th December, 2012	Thursday
Dispatch Letter of Offer to shareholders	7 th February, 2012	Tuesday	28 th December, 2012	Friday
Last Date for upward revision of Offer Price and / or Offer Size	8 th February, 2012	Wednesday	1 st January, 2013	Tuesday
Last date by which Board of Target Company shall give its recommendation in the same newspapers as of DPS	10 th February, 2012	Friday	2 nd January, 2013	Wednesday
Offer Opening PA Date	10 th February, 2012	Friday	3 rd January, 2013	Thursday
Date of commencement of Tendering Period (Offer opening Date)	14 th February, 2012	Tuesday	4 th January, 2013	Friday
Date of Closure of Tendering Period (Offer closing Date)	29 th February, 2012	Wednesday	17 th January, 2013	Thursday
Last date of communicating of rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted shares	15 th March, 2012	Thursday	31 st January, 2013	Thursday

** Identified Date is only for the purpose of determining the names of the shareholders of the Target Company to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer) are eligible to participate in the Open Offer at any time before the closure of the Open Offer.*

Note: Duly Signed Application cum Acknowledgment and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post/Courier or hand delivered to the Registrar to the Open Offer at above address to arrive not later than 4:00 PM on Thursday, 17th January, 2013

RISK FACTORS

A. RELATING TO THE OPEN OFFER

The risk factors set forth below pertain to the Open Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Open Offer. The shareholder(s) of the Target Company are advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for analysing further risks with respect to their participation in the Open Offer.

1. The Open Offer involves an offer to acquire up to 26% of the paid up equity share & voting capital (on fully diluted basis) of the Target Company from the eligible persons for the Open Offer. In the case of over subscription in the Open Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholder(s) in the Open Offer will be accepted. Therefore, there is no certainty that all the Equity Shares tendered by the shareholder(s) in the Open Offer will be accepted, in the event there is oversubscription of the Open Offer.
2. In the event that (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a “*stay*” on the Open Offer, or (c) SEBI instructing the Acquirer not to proceed with the Open Offer, the Open Offer process may be delayed beyond the schedule of activities indicated in this LOF. Consequently, the payment of consideration to the shareholder(s) of Target Company whose Equity Shares would have been accepted in the Open Offer as well as the return of Equity Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Open Offer subject to the Acquirer paying interest to the shareholder(s) for the delay, as may be specified by SEBI.
3. The shareholder(s) should note that the shareholder(s) who have tendered Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the Tendering Period even if the acceptance of Equity Shares under the Open Offer and dispatch of consideration gets delayed.
4. The tendered shares and documents would be held in trust by the Registrar to the Open Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed (as per the SEBI (SAST) Regulations and other applicable laws, rules and regulations). Further, the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such Equity Shares until the completion of the Open Offer or withdrawal of the Open Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations.
5. The Open Offer is subject to the receipt of statutory and regulatory approvals by the Acquirer, and wherever applicable, by the Target Company, in connection with the Open Offer. The Acquirer may not be able to proceed with the Open Offer in the event the approvals are not received in terms of Regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Open Offer.
6. The Acquirer and Manager to the Offer accept no responsibility for statements made otherwise than in the LOF / PA / DPS / 1st Supplemental PA / 2nd Supplemental PA and any other advertisements & materials issued by or at the instance of the Acquirer or the Manager and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

B. RELATING TO THE ACQUIRER

1. The Acquirer makes no assurance with respect to the market price of the Equity Shares of the Target Company upon the completion of the Open Offer, and disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the shareholder(s) on whether or not to participate in the Open Offer.
2. The Acquirer cannot provide any assurance with respect to the financial performance and the market price of the Equity Shares of the Target Company before, during or after the Open Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any

shareholder on whether to participate or not to participate in the Open Offer.

3. The Acquirer makes no assurance with respect to his investment / disinvestment decisions relating to his proposed shareholding of the Target Company.
4. The Acquirer does not accept the responsibility with respect to the information contained in PA or DPS or 1st Supplemental PA or 2nd Supplemental PA or this Letter of Offer that pertains to the Target Company and has been compiled from publicly available resources.
5. Various shareholders and other complainants of the Target Company have filed complaints against the Acquirer to SEBI. The Acquirer has replied to the same adequately under advise to SEBI. However, notwithstanding such response, SEBI may initiate penal action against the Acquirer under the SEBI Act, 1992 and various regulations formed thereunder. Such complaints, responses thereto and other correspondence have been made available for inspection under this Letter of Offer. The brief details of such complaints are: -

Sr. No.	Date of the complaint	Complainant	Applicable regulation	Date of the response sent by the Acquirer
1.	7 th January, 2012	Target Company	Regulations 22 of the SEBI (SAST) Regulations	23 rd January, 2012
2.	13 th January, 2012	Mr. Satinder Singh Rekhi	Regulation 22 of the SEBI (SAST) Regulations	14 th February, 2012
3.	7 th February, 2012	Mr. Akthar Razvi	Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 3(1) of SEBI (SAST) Regulations	16 th February, 2012
4.	29 th March, 2012	Mr. Uday Sharma	N.A.	30 th March, 2012

6. As a consequence to the aforesaid complaints and also as per SEBI directions, the Acquirer has given certain undertakings and have furnished certain details to SEBI regarding disclosures in the Offer Document, which are made available for inspection under this Letter of Offer.
7. In addition to the above, the said Mr. Satinder Singh Rekhi issued a letter dated 13th September, 2012 to SEBI alleging violations of Regulation 22 and the provisions with respect to “Persons Acting in Concert” of the SEBI (SAST) Regulations. Since, the aforesaid matters were pending before the SAT and subsequently being dealt with by SEBI and the final outcome/decision was yet to come, the Acquirer abstained from replying to the aforesaid letter. Further, a similar letter dated 4th September, 2012 alleging the aforesaid violations was also issued by Mr. Satinder Singh Rekhi to the Acquirer and again the same was not replied since the allegations were sub-judice before SAT.
8. By its letter dated 2nd May 2012, SEBI has sought certain information as follows: -

- (a) Whether Mr. Tripathi first purchased the shares and then sold the same on 29th July, 2011. If yes, SEBI asked for documentary evidence for the same.

The Acquirer has confirmed that he had first purchased and then sold shares on 29th July, 2011. The documentary evidence submitted to SEBI is available for inspection at the address of Manager to Open Offer.

- (b) Whether payment was made by Mr. Bantwal for the shares purchased by him on 29th July, 2011 and the source of funds accompanied by the necessary documents viz., bank statements as a proof for the same; and
- (c) Whether at the time of sale of shares by Mr. Bantwal on 29th July, 2011, he received funds and documentary evidence for the same.

The Acquirer had submitted that he does not have access to Mr. Bantwal's transaction details and his books of accounts. Hence he was unable to comment on the same or provide details regarding Mr. Bantwal's transactions.

9. By its letter dated 13th February, 2012, SEBI has sought certain information as follows:
- (a) Investment details of the Acquirer in other companies;
 - (b) Justification as to why the Offer should not be made on Regulation 4;
 - (c) Justification of non-applicability of Regulation 22(1);
 - (d) SEBI observed that the Acquirer had acquired 7.18% Equity Shares on the date of public announcement and requested confirmation as to whether the said Equity Shares have been transferred to the Acquirer's account;
 - (e) Whether the aforementioned Equity Shares were received in physical or demat form and if the Equity Shares were received in demat form, SEBI requested for a copy of the demat statement of the Acquirer during the month of December 2011; and
 - (f) SEBI requested the Acquirer to respond to the complaints received from one of the shareholders where, it has been alleged, inter-alia that the Acquirer and Mr. Bantwal have been PAC since July 2011.

The Acquirer has confirmed and submitted the response along with requisite documentary evidence to SEBI. The letter of SEBI and its reply along with documentary evidence are available for inspection at the address of Manager to Offer.

10. By its letter dated 25th July, 2012, SEBI has made certain allegations against the Acquirer for violations of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**Takeover Regulations, 1997**") and the SEBI (SAST) Regulations, 2011, based on various complaints made by the shareholders and promoters of the Target Company and Target Company. SEBI may initiate suitable legal action against the Acquirer for the same under the aforesaid regulations and the SEBI Act, 1992. The allegations are as below: -

A. Alleged violations in SEBI Observation Letter dated July 25, 2012

1. Alleged violation of Regulation 10 read with 14(1) of Takeover Regulations, 1997

- a. It has been observed from the shareholding built-up of the acquirer that he was holding 18,42,635 shares representing 14.96% of the paid up capital of the target company as on 28th July, 2011.*
- b. The acquirer purchased 2,71,004 shares representing 2.1% of the paid up capital of the target company on 29th July, 2011 and then sold the shares on the same day.*
- c. Since the acquirer crossed 15% on 29th July, 2011 itself with the aforesaid acquisition, the offer obligations were triggered on that date but the acquirer failed to make an open offer/PA.*
- d. Prima facie, the acquirer has, thus, violated regulation 10 read with regulation 14(1) of Takeover Regulations, 1997.*

2. Alleged violation of regulation 15(1) (c) of Takeover Regulations, 2011.

- a. It has been observed from the DPS dated December 22, 2011 that the acquirer acquired 9,19,640 shares representing 7.18% of the paid up share capital of the target company on 15th December, 2011 through market purchase.*

- b. *In terms of regulation 15(1) (c) of Takeover Regulations, 2011, the PA shall contain information pertaining to nature of the proposed acquisition. As the same was not specified, the Acquirer violated provisions of regulation 15(1) (c) of Takeover Regulations, 2011.*
3. ***Alleged violation of regulation 22(1) and 22(2) of Takeover Regulations, 2011.***

On examination of trades of the acquirer, it was observed that the shares were purchased by the acquirer between 9:15 AM and 11:30 AM on 15th December, 2011. It has also been observed that, prima facie, there existed a pre-understanding/agreement between sellers and the acquirer to sell the shares to the acquirer on the date of PA. One of the investors, Mr. Manmohan Passi has given a declaration that he had a pre-understanding with the acquirer for selling the share to him and the undertaking given by Mr. Passi in this regard, has been notarized in USA. As per regulation 22(2), the acquirer shall complete the acquisition of shares or voting rights subject to the acquirer depositing in the escrow account, cash of amount equal to 100% of the consideration payable under the Open Offer assuming full acceptance of the open offer. However, the acquirer failed to put 100% cash in escrow account although acquisition of shares was completed on the date of PA itself. Therefore, prima facie, the Acquirer has violated regulations 22(1) and 22(2) of Takeover Regulations, 2011.”

B. Securities Appellate Tribunal (“SAT”) proceedings

With respect to the aforesaid allegation no. 3, the Acquirer filed an appeal before SAT bearing No. 172 of 2012 (“**SAT Appeal**”) against the aforesaid letter dated 25th July, 2012 issued by SEBI, *inter-alia*, contending that the Acquirer had made only market purchases pursuant to the Public Announcement and that there was no pre-understanding with Mr. Manmohan Passi. Therefore, there was no violation of Regulation 22(1) of the SEBI (SAST) Regulations. Further, the Acquirer also, *inter-alia*, prayed that the allegation made by SEBI with respect to violation of Regulation 22(1) of the SEBI (SAST) Regulations be set aside.

In the aforesaid SAT Appeal, SAT passed an order dated 7th September, 2012, *inter-alia*, directing SEBI to provide the Acquirer with the aforesaid declaration filed by Mr. Manmohan Passi with SEBI regarding the pre-understanding with the Acquirer and directed the Acquirer to respond thereto within three weeks thereafter (“**SAT Order**”). Further, SAT also directed that SEBI may issue its comments/observations after considering the reply received from the Acquirer.

SEBI’s letter dated 20th September, 2012

Pursuant to the SAT Order, SEBI addressed a letter to the Manager, *inter-alia*, providing a copy of the requisite declaration filed by Mr. Manmohan Passi alongwith other documents / information.

Manager’s reply dated 27th September, 2012

In reply to the aforesaid, the Manager in its letter dated 27th September, 2012, requested SEBI to provide certain other documents/information.

SEBI’s reply dated 10th October, 2012

In reply to the aforesaid, SEBI, in its letter dated 10th October, 2012, stated that SEBI had complied with the SAT Order and the Acquirer was required to reply within three weeks.

Acquirer’s submissions dated 11th October, 2012 through Manager’s letter dated 11th October, 2012

The Acquirer, in his letter dated 11th October, 2012, *inter-alia*, stated that the declaration filed by Mr. Manmohan Passi was false and that the allegations against the Acquirer in this regard are false and baseless.

Acquirer’s submissions dated 30th October, 2012 through Manager’s letter dated 31st October 2012

The Acquirer, in his letter dated 30th October, 2012, *inter-alia*, stated that he did not have any understanding or agreement with Mr. Manmohan Passi and without prejudice to the above he shall deposit 100% of the Offer Size in the Escrow Account prior to beginning of the tendering period as directed by SEBI.

SEBI's letter dated 3rd December, 2012

SEBI, in its letter dated 3rd December, 2012 to the Manager, *inter-alia*, stated that the submissions made by the Manager have been taken on record and that since the Acquirer has agreed to put 100% cash in escrow account, SEBI may not initiate any proceedings against the Acquirer for the alleged violation of Regulation 22(1) and 22(2) of the SEBI (SAST) Regulations.

INDEX

Sr. No.	Subject	Page No.
1.	Definitions/Abbreviations	9
2.	Disclaimer Clause	10
3.	Details of the Offer	10
4.	Background of the Acquirer	13
5.	Background of the Target Company	14
6.	Offer Price and Financial Arrangements	21
7.	Terms and Conditions of the Offer	34
8.	Procedure for Acceptance and Settlement	36
9.	Documents for Inspection	43
10.	Declaration by the Acquirer	45

1. DEFINITIONS/ABBREVIATIONS

Sr. #.	Abbreviations	Definitions
1.	Acquirer	Mr. Bhavook Tripathi
2.	Target Company	R Systems International Limited
3.	BSE	BSE Limited
4.	Board/Board of Directors/ Directors	Board of Directors of R Systems International Limited
5.	CDSL	Central Depository Services (India) Limited
6.	Depositories	NSDL and CDSL
7.	DP	Depository Participant
8.	ECS	Electronic Clearing System
9.	Eligible Persons for the Offer	All owners of Equity Shares registered or unregistered of R Systems International Limited. (who own Equity Shares at any time prior to the Offer Closing Date) except the Acquirer
10.	EPS	Earnings Per Share
11.	Equity Share(s) or Shares	Fully paid up equity share(s) of ₹10/- each of R Systems International Limited
12.	shareholder(s) / equity shareholder(s)	All owners (registered or unregistered) of Equity Shares of the Target Company
13.	FEMA	Foreign Exchange Management Act, 2000 and subsequent amendments thereto
14.	Form of Acceptance	Form of Acceptance cum Acknowledgement accompanying this Letter of Offer
15.	Letter of Offer or LOF or Offer Document	This Letter of Offer including the Form of Acceptance
16.	Manager to the Offer or Manager or KJMC	KJMC Corporate Advisors (India) Limited (formerly KJMC Global Market (India) Limited)
17.	NSDL	National Securities Depository Limited
18.	NSE	National Stock Exchange of India Limited
19.	NRI	Non-Resident Indians
20.	Open Offer	Cash Offer being made by the Acquirer to acquire upto 33,38,042 Equity Shares of ₹10/- each representing 26% of Issued, Subscribed, Paid Up Equity Share and Voting Capital comprising of 1,28,38,621 fully paid up Equity Shares (on fully diluted basis) of the Target Company.
21.	Date of Commencement of Tendering Period or Offer Opening Date	4 th January, 2013
22.	Date of Closure of Tendering Period or Offer Closing Date	17 th January, 2013
23.	Offer Price	₹150.75 per equity share including interest of ₹ 0.70 on account of delay in commencement of Tendering Period.
24.	N.A. or NA or N/A	Not Applicable
25.	PA / Public Announcement	Announcement of the Offer made by the Acquirer on 15 th December, 2011
26.	DPS / Detailed Public Statement	Detailed Public Statement made by the Acquirer dated 22 nd December, 2011
27.	1 st Supplemental PA / 1 st Supplemental Public Announcement	Supplemental Public Announcement made by the Acquirer on 14 th March, 2012
28.	2 nd Supplemental PA / 2 nd Supplemental Public Announcement	Supplemental Public Announcement made by the Acquirer dated 4 th August, 2012
29.	PACs	Persons Acting in Concert/s
30.	RBI	Reserve Bank of India
31.	Registrar to the Offer / Registrar	Link Intime India Private Limited
32.	SAT	Securities Appellate Tribunal
33.	SEBI	Securities and Exchange Board of India

Sr. #.	Abbreviations	Definitions
34.	SEBI (SAST) Regulations, 2011 or SEBI (SAST) Regulations or Regulations or Takeover Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
35.	Tendering Period	Period from 4 th January, 2013 to 17 th January, 2013
36.	Identified Date	20 th December, 2012
37.	FY	Financial Year
38.	Rs. / INR / ₹	Indian Rupees

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDER(S) OF R SYSTEMS INTERNATIONAL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER KJMC GLOBAL MARKET (INDIA) LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 29th DECEMBER, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

- 3.1.1. This Open Offer is being made by the Acquirer in accordance with Regulations 3(1) and 4 of SEBI (SAST) Regulations. No other person / individual / entity is acting in concert with the Acquirer for the purpose of this Open Offer in terms of Regulation 2(1) (q) of the SEBI (SAST) Regulations.
- 3.1.2. This Open Offer is being made as a result of the acquisition of 9,24,142 Equity Shares representing 7.18% of total paid up Equity Share and voting capital on fully diluted basis of the Target Company as on the date of PA by the Acquirer in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011. Following the completion of the Open Offer, if required, the Acquirer may work with the management and employees of the Target Company to grow the business of the Target Company. Notwithstanding that the Open Offer is being made under Regulation 4 of the SEBI (SAST) Regulations, the prime objective of the Acquirer behind the acquisition is the investment value in the Equity Shares of the Target Company and NOT substantial holding of shares/voting rights/control or management of the Target Company. Therefore, until and unless the Acquirer actually acquires control of the Target Company, the Acquirer would be considered as “public”.
- 3.1.3. This Open Offer is being made by Mr. Bhavook Tripathi, son of Mr. Chandraprakash Tripathi residing at Shree Goverdhan Nath Housing Society, North Main Road, Lane B, Koregaon Park, Pune – 411001. Tel: 020-241224991, Fax: 020-241224991 Email: bhavook.tripathi@gmail.com to the shareholders of R Systems International Limited, and having its registered office at B-104A, Greater Kailash – I, New Delhi –

110 048, Tel: 011-32596619, Fax: 0120-2587123, Email: rsil@india.rsystems.com pursuant to the Regulation 3 (1) and 4 of the SEBI (SAST) Regulations.

- 3.1.4. The Acquirer hereby makes this Open Offer to the shareholder(s) of the Target Company to acquire 33,38,042 fully paid up Equity Shares of the Target Company of ₹10/- each, representing in aggregate 26% of the paid up equity share and voting capital (on fully diluted basis), at a price of ₹150.75 (Rupees One Hundred Fifty and Paise Seventy Five only) per share payable in cash, subject to the terms and conditions mentioned in the DPS and in this Letter of Offer. The Acquirer being desirous of acquiring additional shares thereby exceeding 25 percent of the total paid up Equity Share and voting capital, has necessitated the present Open Offer under the SEBI (SAST) Regulations. The Acquirer on the date of PA, i.e. 15th December, 2011 and after the announcement of Open Offer acquired 9,24,142 Equity Shares of the Target Company (being 7.19 % of the total paid up equity share and voting capital (on fully diluted basis)), through open market purchases. Subsequently, the Acquirer also purchased additional 8,587 Equity Shares (being 0.07 % of the total paid up Equity Share and voting capital (on fully diluted basis)) from the open market and in pursuance thereof, as on date of the PA. The Acquirer currently holds 39,93,227 Equity Shares constituting 31.10% of the total equity share and voting capital of the Target Company (on fully diluted basis) as on 20th December, 2012.
- 3.1.5. The Acquirer has not entered into any agreement / arrangement for the purposes of purchasing the Equity Shares of the Target Company.
- 3.1.6. The Acquirer does not intend to make changes in the Board of Directors or the management of the Target Company. During the offer period i.e. from date of purchase order, till the date of payment of consideration and certification from Manager that the Acquirer has complied with all the requirements under the SEBI (SAST) Regulations, the Acquirer or his nominees will not be appointed on the Board of Directors of the Target Company in terms of Regulation 24(1) of the SEBI (SAST) Regulations.
- 3.1.7. The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of the directions issued under Section 11B of the SEBI Act or any other Regulations made under the SEBI Act.
- 3.1.8. The Manager to the Open Offer i.e., KJMC Corporate Advisors (India) Limited (formerly KJMC Global Market (India) Limited) does not hold any shares in the Target Company, on their own account, as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.1.9. In terms of Regulation 26 (6) and of the SEBI (SAST) Regulations, the Board of Directors of the Target Company had constituted a committee of independent directors on 11th January, 2012, to provide their written reasoned recommendations on the Open Offer to the shareholders of the Target Company and such recommendation shall be published atleast two working days before the date of commencement of the Open Offer in the same newspapers where the DPS was published and a copy of the same shall be sent to SEBI, BSE, NSE and Manager to the Offer by the Target Company in compliance with Regulation 26 (7) of the SEBI (SAST) Regulations.
- 3.1.10. Pursuant to this Open Offer assuming full acceptances, if the public shareholding in the Target Company reduces below the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement, the Acquirer undertakes that it will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contracts (Regulation) Rules, 1957 as amended, the Listing Agreement and the Regulations 7(4) and 7(5) of the SEBI (SAST) Regulations and reduce the non-public shareholding within the time period mentioned therein.

3.2. Details of the Proposed Offer

- 3.2.1. The Acquirer has made the DPS, the 1st Supplemental PA and the 2nd Supplemental PA to Public Announcement in the following newspapers in accordance with the Regulation 14 (3) and pursuant to Regulation 3 (1) and 4 of SEBI (SAST) Regulations.

Newspaper	Language	Edition
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Nav Shakti	Marathi	Mumbai

Copy of the PA, the DPS, 1st Supplemental PA and 2nd Supplemental PA are available on the website of SEBI (www.sebi.gov.in) and Manager to the Offer (www.kjmc.com)

- 3.2.2. The Acquirer proposes to acquire from the existing shareholder(s) of the Target Company, 33,38,042 (Thirty Three Lac Thirty Eight Thousand and Forty Two only) fully paid-up Equity Shares of ₹10/- each, representing 26% of the fully paid-up equity share and voting capital (on fully diluted basis) at a price of ₹ 150.75 per share payable in cash.
- 3.2.3. The Target Company does not have any partly paid up Equity Shares.
- 3.2.4. There is no differential price offered to the shareholders of the Target Company under the present Open Offer.
- 3.2.5. The Open Offer is not subject to any minimum level of acceptances from the shareholder(s) *i.e.*, it is not a conditional offer. The Acquirer will accept all Equity Shares of the Target Company in terms of this Open Offer up to a maximum of 33,38,042 fully paid-up Equity Shares of ₹10/- each, representing 26% of the fully paid-up equity share and voting capital (on fully diluted basis) of the Target Company.
- 3.2.6. This is not a competing Offer under Regulation 20 of SEBI (SAST) Regulations. There has been no competing offer as on the date of this LOF.
- 3.2.7. The Equity Shares of the Target Company will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 3.2.8. The Acquirer has made following acquisitions of Equity Shares of the Target Company after the date of the Public Announcement till the date of this LOF via market purchase: -

Sr. #.	Date of Acquisition	No. of Shares	Purchase Price per Share	Aggregate Shareholding post acquisition	Post Acquisition Shareholding of the Acquirer (%)
1.	9 th March, 2012	10	150.05	39,84,650	31.0146%
2.	5 th June, 2012	3,479	149.42	39,88,129	31.0418%
3.	6 th June, 2012	3,140	148.96	39,91,269	31.0662%
4.	7 th June, 2012	1,530	149.38	39,92,799	31.0781%
5.	15 th June, 2012	428	149.90	39,93,227	31.0815%

Apart from above, the Acquirer has not acquired any Equity Shares of the Target Company from the date of PA till the date of this LOF.

- 3.2.9. The Acquirer has duly complied with Regulation 8(8) and 18(6) of the SEBI (SAST) Regulations for the above mentioned acquisitions.

3.3. **Objects Of Acquisition/Offer**

- 3.3.1. The Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business as may be permissible. The Acquirer undertakes that he shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholder(s) of the Target Company through special resolution in terms of 25(2) of the SEBI (SAST) Regulations.

- 3.3.2. Further, the Acquirer has no intention to enter into, amend or terminate any material contracts to which the Target Company or any of its subsidiaries is a party, outside the ordinary course of business, whether such contract is with a related party (as per the meaning prescribed in the applicable accounting standards) or with any other person;
- 3.3.3. The Acquirer also has no intention to accelerate any contingent vesting of a right of any person to whom the Target Company or any of its subsidiaries may have an obligation, whether such obligation is to acquire shares of the Target Company by way of employee stock options or otherwise.
- 3.3.4. Following the completion of the Open Offer, the Acquirer, if required, may work with the management and the employees of the Target Company to grow the business of the Target Company. However, the business of the Target Company would continue in the same manner as it was carried out in the past. Therefore, there would not be any repercussions of the acquisition by the Acquirer on the employment and the locations of the Target Company's places of business.

4. BACKGROUND OF THE ACQUIRER

- 4.1. Mr. Bhavook Tripathi, son of Mr. Chandraprakash Tripathi residing at Shree Goverdhan Nath Housing Society, North Main Road, Lane B, Koregaon Park, Pune – 411001. He graduated in metallurgical engineering from Institute of Technology, Banaras Hindu University in the year 1992. Further, he also has a diploma in Finance, which was granted to him in the year 1993 from the University of Wyoming, United States of America.
- 4.2. The Acquirer is in the business of manufacturing ancillary auto parts through his proprietorship concern SanShu Industries and has experience of more than 12 years in this field. The Acquirer (DIN - 02198554) is also a Director in Bantri Investments Limited, Bantri Financials Private Limited and Sanshu Components Private Limited. These companies have no operations, as on date.
- 4.3. There is no Persons Acting in Concert with the Acquirer as per regulation 2(1) (q) of the SEBI (SAST) Regulations.
- 4.4. The Acquirer currently holds 31.10% of paid up Equity Shares/voting rights in the Target Company on a fully diluted basis. The Acquirer has fulfilled its obligations under Chapter II of the SEBI (SAST) Regulation, 1997 and Chapter V of the SEBI (SAST) Regulations, 2011 and subject to the allegations of SEBI in its letter dated 25th July, 2012 as mentioned in the paragraph 6.1.10 of this Letter of Offer. The father of the Acquirer, Mr. Chandraprakash Tripathi also holds 2,500 Equity Shares of the Target Company aggregating to 0.02% of the paid up equity share capital of the Target Company on a fully diluted basis. Please refer paragraph 3.2.8, paragraph 6.1.5 and paragraph 6.1.6 for the details of equity shares acquired by the Acquirer.
- 4.5. The Acquirer does not hold any position on the Board of Directors of any listed company.
- 4.6. Mr. B.P. Singh of M/s B.P. Singh and Co., Chartered Accountants (Membership No: 104836) having their office at 414, Labh Chambers, Station Road, Aurangabad, 431005 vide certificate dated 10th December, 2011 has certified that the net worth of the Acquirer is ₹2,48,08,66,000 (Rupees Two Hundred Forty Eight Crores Eight Lakhs and Sixty Six Thousand only) as on 30th November, 2011.
- 4.7. There are no litigations pending against the Acquirer as on the date of this LOF.
- 4.8. The Acquirer has not been prohibited by SEBI from dealing in securities under the provisions of Section 11 (B) of the SEBI Act, 1992.
- 4.9. There are no persons on the Board of the Target Company, representing the Acquirer.

5. BACKGROUND OF THE TARGET COMPANY

R Systems International Ltd, founded in 1993, is one of the leading providers of outsourced product development and customer support services. The Target Company is a leading global provider of IT solutions and Business Process Outsourcing (BPO) services. Their primary focus is to provide full service IT solutions, software engineering services, technical support, customer care and other IT enabled services to the high technology sector, independent software vendors (ISV's), banks, financial services companies, telecom, insurance and health care sector.

R Systems is an integrated Product Lifecycle Management (iPLM) company offering valued outsourcing services to Fortune 1000, Government and Mid-sized organizations. The Target Company offers customized services in four major verticals including; BFSI, Media & Telecom, Healthcare and Manufacturing & Logistics.

The Company has thirteen development and service centre and using global delivery model to serve customers in the US, Europe, South America, the Far East, the Middle East and Africa.

(Source: www.rsystems.com)

5.1. Equity Structure of the Target Company as on 20th December, 2012

Paid up Equity Shares of the Target Company	No. of Shares/Voting Rights	% of shares/Voting Rights
Fully Paid-up Equity Shares (assuming full conversion of warrants and convertible securities including shares issued under Employee Stock Option Scheme)	1,28,38,621	100%
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	1,28,38,621	100%
Total Voting Rights in Target Company	1,28,38,621	100%

- 5.2. R Systems International Limited (CIN: L74899DL1993PLC053579) is a public limited company incorporated on 14th May, 1993 as R Systems (India) Private Limited in the National Capital Territory of Delhi and Haryana under the Companies Act, 1956. Pursuant to a special resolution passed by the shareholders of the Target Company on 14th March, 2000, the Target Company was converted into a public limited company and consequently, the name of the Target Company was changed to R Systems (India) Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on 13th April, 2000. Pursuant to a special resolution passed by the shareholders of the Target Company and the approval of the Central Government dated 2nd August, 2000, name of the Target Company was further changed to R Systems International Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on 7th August, 2000. The Target Company made a public offer of 44,08,355 Equity Shares in the month of March, 2006 and the Equity Shares of the Target Company are listed on the NSE and BSE since 26th April, 2006. All the Equity Shares of the Target Company are listed on the BSE and the NSE.
- 5.3. The authorised capital of the Target Company is ₹ 20,00,00,000 (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crore) Equity Shares of ₹10/- each.
- 5.4. The Target Company has complied with all the listing requirements and the trading of the Target Company's stock has never been suspended from either the BSE or the NSE. Further, no penal/punitive actions have been taken by BSE and/or NSE. There are no instruments convertible into the Equity Shares at a future date other than the stock options granted to the employees of the Target Company, in the books of the Target Company as on the date of this LOF. There are no partly paid up Equity Shares in the books of the Target Company as on the date of this LOF.
- 5.5. There are 3,47,885 outstanding stock options held by the employees of the Company under the prevailing Employee Stock Option Scheme of the Company entitling the said employees to 3,47,855 Equity Shares of the Target Company of a face value of ₹10 each. Other than as stated above, the Target Company does not

have any outstanding convertible instruments (warrants / Fully Convertible Debentures (FCDs) / Partly Convertible Debentures (PCDs)) etc. or options or similar instruments, convertible into Equity Shares at a later stage. These outstanding stock options have been taken into account for calculating the Equity Share capital and voting rights of the Target Company.

5.6. None of the Directors of the Target Company represent the Acquirer.

5.7. Present composition of the Board of Directors:

Name of the Director	Director Identification Number	Designation	Date of Appointment	Qualification	Experience
Mr. Satinder Singh Rekhi	00006955	Chairman & Managing Director	May 14, 1993	Bachelor of Technology from IIT, Kharagpur, India and Masters in Business Administration from California State University, Sacramento	Having over 29 years experience in Information Technology industry.
Lt. Gen. Baldev Singh (Retd.)	00006966	President & Senior Executive Director	September 1, 1997	Master degree in Military Sciences from Madras University and two short courses in Strategic Account Management and Marketing from University of California.	Having more than 46 years of experience including handling top managerial, diplomatic and human resource development related assignments
Mr. Raj Swaminathan	00788158	Director & Chief Operating Officer	September 29, 2006	Post Graduate Diploma in Business Management from Xavier Labour Relations Institute, Jamshedpur and Bachelor of Engineering (Mechanical) from Bangalore University	Having 27 years of experience in IT and Financial Services industry.
Mr. Raj Kumar Gogia	00007364	Non-executive Independent Director	July 9, 2002	B.Tech Honors in Electrical Engineering from IIT Kharagpur	Having 49 years of experience of serving various Indian, multinational and foreign concerns.
Mr. Suresh Paruthi	00777887	Non-executive Independent Director	September 29, 2006	Bachelor of Technology (Hons.) from IIT Kharagpur and certificate course in Export Marketing from the Indian Institute of Foreign Trade, New Delhi	Having wide experience of efficiently serving various multinationals.
Mr. Gurbax Singh Bhasin	00012628	Non-executive Independent Director	December 27, 2005	Bachelor of Engineering	Having 30 years of experience in textile/fashion apparel industry and import/export.
Mr. Anuj Kanish	00158081	Alternate Director to Mr. Gurbax Singh Bhasin	July 28, 2012	Bachelor of Engineering (Electrical Engineering) from Delhi College of Engineering and MS (Information Systems) from University of Texas at Arlington.	Having over 16 years of experience.

5.8. The Target Company has the following subsidiaries:

Sr. No.	Name of the company	Country of Incorporation
1.	R Systems (Singapore) Pte Limited	Singapore
2.	R Systems, Inc.	United States of America
3.	Indus Software, Inc.	United States of America
4.	ECnet Limited	Singapore
5.	R Systems Solutions, Inc.	United States of America
6.	R Systems NV	Belgium
7.	R Systems Europe B.V.	The Netherlands
8.	R Systems S.A.S.	France
9.	Computaris International Limited	United Kingdom
10.	Systèmes R. International Ltée [^]	Canada

[^] No capital has been contributed by the Target Company till the date of this LOF.

The following are the subsidiaries of ECnet Limited, Singapore:

Sr. No.	Name of the company	Country of Incorporation
1.	ECnet (M) Sdn. Bhd.	Malaysia
2.	ECnet Inc.	United States of America
3.	ECnet (Hong Kong) Limited	Hong Kong
4.	ECnet Systems (Thailand) Company Limited	Thailand
5.	ECnet Kabushiki Kaisha	Japan
6.	ECnet (Shanghai) Co. Ltd.	Peoples Republic of China

The following are the subsidiaries of Computaris International Limited

Sr. No.	Name of the company	Country of Incorporation
1.	Computaris International Srl	Moldova
2.	Computaris Malaysia Sdn. Bhd.	Malaysia
3.	Computaris Polska sp z o.o.	Poland
4.	Computaris Romania SRL	Romania
5.	Computaris USA, LLC	United States of America
6.	Computaris Limited	United Kingdom

All the above mentioned subsidiaries are incorporated and based out of India and all are wholly owned subsidiaries of the Target Company save and except ECnet Limited, Singapore in which the Target Company holds 99.56%.

- 5.9. The Target Company is not a Sick Company and is not referred to BIFR. The Target Company does not have any overdue liabilities to Banks / Financial Institutions.
- 5.10. There has not been any merger or demerger or spin-off of activity in the preceding 3 years.
- 5.11. The Target Company has entered into agreement with NSDL and CDSL for offering Equity Shares in demat form.
- 5.12. The Target Company has no arrears of listing fee to BSE and NSE.

- 5.13. The brief consolidated audited financial statements past three years and consolidated financial statements (Limited Review) for the 3 month period ended September 30, 2012 and 6 month period ended June 30, 2012 are as under: -

Consolidated Profit & Loss Statement:

(₹ in Lacs)		
For the Year / period ended	30-Sept-12 3 Months (Limited Review)	30-Jun-12 6 Months (Limited Review)
Income from Operations	11,455.54	22,933.27
Other Income	98.40	213.01
Increase/ (Decrease) in Stock	NA	NA
Total Income	11,553.94	23,146.28
Total Expenditure	10,508.20	20,965.48
Profit / (Loss) before interest & depreciation	1,045.74	2,180.80
Interest	19.50	66.72
Depreciation & Goodwill impairment	242.90	540.02
Other expenditure		
Profit / (Loss) before Tax & prior period Adjustment	783.34	1,574.06
Provision for Tax	320.74	491.11
Profit / (Loss) after Tax & prior period Adjustment	462.60	1,082.95
Prior Period Adjustment	0.00	0.00
Net Profit	462.60	1,082.95
Bal. Brought Forward from earlier years	9,074.00	7,991.05
Bal. Transferred to Balance Sheet	9,536.60	9,074.00

(₹ in Lacs)			
For the Year / period ended	31-Dec-09 12 Months (Audited)	31-Dec-10 12 Months (Audited)	31-Dec-11 12 Months (Audited)
Income from Operations	32,752.52	29,054.66	40,949.55
Other Income	804.23	691.28	556.43
Increase/ (Decrease) in Stock	NA	NA	NA
Total Income	33,556.75	29,745.94	41,505.98
Total Expenditure	28,966.06	26,870.62	38,021.39
Profit / (Loss) before interest & depreciation	4,590.69	2,875.32	3,484.60
Interest	102.64	71.37	80.84
Depreciation & Goodwill impairment	3,435.32	1,330.86	1,311.85
Other expenditure	0.00	0.00	0.00
Profit / (Loss) before Tax & prior period Adjustment	1,052.73	1,473.09	2,091.91
Provision for Tax	280.69	(221.84)	440.66
Profit / (Loss) after Tax & before prior period Adjustment	772.04	1,694.93	1,651.25
Prior Period Adjustment	0.00	17.29	0.00
Net Profit	772.04	1,677.64	1,651.25
Bal. Brought Forward from earlier years	5,384.21	5,753.25	6,918.65

(₹ in Lacs)			
For the Year / period ended	31-Dec-09 12 Months (Audited)	31-Dec-10 12 Months (Audited)	31-Dec-11 12 Months (Audited)
Bal. Transferred to Balance Sheet	5,753.25	6,918.65	7,991.05

Consolidated Balance Sheet

(₹ in Lacs)		
As on Year/period ended	30-Sept-12 3 Months (Limited Review)	30-Jun-12 6 Months (Limited Review)
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	1,237.58	1,237.58
Reserves & Surplus (excluding revaluation reserves)	***	17,821.26
Sub-total		19,058.84
Minority Interest	***	0.00
Non Current Liabilities		
Long term borrowings	***	33.54
Other long term liabilities	***	72.81
Long term provisions	***	638.94
Sub-total		745.29
Current Liabilities		
Trade payables	***	3,667.15
Other current liabilities	***	2,701.27
Short term provisions	***	1,462.15
Sub-total		7,830.57
GRAND TOTAL		27,634.70
ASSETS		
Non Current Assets		
Fixed assets	***	3,799.32
Goodwill on consolidation	***	2,701.01
Non current investments	***	0.25
Deferred tax assets (net)	***	485.74
Long term loans & advances	***	781.39
Other non current assets	***	912.74
Sub-total		8,680.45
Current Assets		
Trade receivables	***	9,285.98

(₹ in Lacs)		
As on Year/period ended	30-Sept-12 3 Months (Limited Review)	30-Jun-12 6 Months (Limited Review)
Cash & cash equivalents	***	6,504.86
Short term loans & advances	***	1,105.95
Other current assets	***	2,057.46
Sub-total	***	18,954.25
GRAND TOTAL	***	27,634.70

(₹ in Lacs)			
As on Year/period ended	31-Dec-09 12 Months (Audited)	31-Dec-10 12 Months (Audited)	31-Dec-11 12 Months (Audited)
Sources of Funds			
Paid up Share Capital	1,224.30	1,224.30	1,224.30
Reserves & Surplus (excluding revaluation reserves)	15,515.00	16,801.04	18,634.01
Net worth	16,739.30	18,025.34	19,858.31
Unsecured Loan	0.00	0.00	0.00
Secured Loans	145.20	83.49	68.81
Deferred Tax Liability (Net)	210.63	(220.33)	(634.33)
Deferred liability payment	0.00	0.00	709.95
TOTAL	17,095.13	17,888.50	20,002.74
Application of funds:			
Net Fixed Assets	5,302.71	4,443.39	6,702.02
Investments	0.00	0.00	0.00
Net Current Assets	11,792.17	13,444.86	13,300.47
Profit & loss Account	0.00	0.00	0.00
Total Miscellaneous Expenditure not written off	0.00	0.00	0.00
TOTAL	17,095.13	17,888.50	20,002.49

Other Financial Data

For the Year/period ended	30-Sep-12 3Months (Limited Review)	30-Jun-12 6 Months (Limited Review)
Interim Special Dividend (%)	***	160%
Earning Per Share (₹) Diluted	3.71	8.74
Return on Net worth (%)	***	5.68
Book Value per share (₹)	***	154.00

For the Year/period ended	31-Dec-09 12 Months (Audited)	31-Dec-10 12 Months (Audited)	31-Dec-11 12 Months (Audited)
Dividend (%)	24.00%	24.00%	36.00%

Earning Per Share (₹) Diluted	6.02	13.46	13.26
Return on Net worth (%)	4.61%	9.31%	8.32%
Book Value per share (₹)	136.73	147.23	162.20

*** Information not available from public domain

Source: Audited Annual Reports / Limited Review by Statutory Auditors.

Notes:

1. EPS	=	$\frac{\text{Profit after tax}}{\text{weighted average number of equity shares outstanding during the period}}$
2. Return on Net Worth	=	$\frac{\text{Profit after Tax}}{\text{Net Worth}}$
3. Book Value per share	=	$\frac{\text{Net Worth}}{\text{No. of equity shares}}$

5.14. Pre and Post-Offer shareholding pattern of the Target Company as on the date of this LOF:

The shareholding percentages in the below mentioned table have been taken on the basis on fully diluted paid-up equity shares and voting capital of the Target Company i.e. 1,28,38,621 Equity Shares of ₹10/- each as on 20th December, 2012

Shareholder's Category	Shareholding & Voting rights prior to the Acquisition and Offer		Shares/Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/Voting Rights Acquired post Public Announcement		Shares/Voting Rights to be Acquired in the Open Offer (Assuming full acceptance)#		Share holding/ Voting Rights after the Acquisition and the Offer	
	(A) No.	(A) %	(B) No.	(B) %	(C) No.	(C) %	(D) No.	(D) %	(A) + (B) + (C) + (D) = E No.	(A) + (B) + (C) + (D) = E %
(1) Promoters and Promoter Group										
a. Parties to agreement, if any	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
b. Promoters other than (a) above	6,374,581	49.65%	NA	NA	NA	NA	(2,405,615)	-18.74%	3,968,966	30.91%
Total 1(a+b)	6,374,581	49.65%	NA	NA	NA	NA	(2,405,615)	-18.74%	3,968,966	30.91%
(2) a. Acquirer as on the date of this LOF	3,060,498	23.84%	924,142	7.20%	8,587	0.07%	3,338,042	26.00%	7,331,269	57.10%
b. PACs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total 2(a+b)	3,060,498	23.84%	924,142	7.20%	8,587	0.07%	3,338,042	26.00%	7,331,269	57.10%
(3) Parties to agreement other than (1) (a) & (2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(4) Public (other than parties to agreement, acquirer & PACs)*										
a. FIs/MFs/FILs/Banks, SFIs	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
b. Others	3,403,542	26.51%	(924,142)	(7.20)%	(8,587)	-0.07%	(932,427)	(7.26)%	1,538,387	11.98%
Total (4) (a+b)	3,403,542	26.51%	(924,142)	(7.20)%	(8,587)	-0.07%	(932,427)	(7.26)%	1,538,387	11.98%
Total number of shareholders in "Public category"	13,565									
GRAND TOTAL (1+2+3+4) **	12,838,621	100.00%	0	0.00%	0	0.00%	0	0.00%	12,838,621	100.00%

** Assuming full conversion of warrants & other convertibles securities including shares issued under Employee Stock Option Scheme.

#The above post offer shareholding is based on the assumption that the acceptance of shares tendered in the Open Offer will be accepted on a proportionate basis from each category of shareholders.

5.14.1. As per the Annual Report for the year 2011, the Target Company has complied with the norms of the SEBI Guidelines on Corporate Governance as enumerated in Clause 49 of the listing agreements with Stock Exchanges.

5.14.2. The Company has filed the latest Corporate Governance report with the Stock Exchanges as on 8th October, 2012. The details are as follows:

Name of the Company: R Systems International Limited.

Quarter ending on: 30th September, 2012

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer price

6.1.1 The Equity Shares of the Target Company are listed on the Stock Exchanges. The Equity Shares are placed under Group “B” and have a Scrip Code of 532735 and Scrip ID: RSYSTEMS on the BSE and Scrip ID: RSYSTEMS on the NSE.

6.1.2 Based on the information available on the websites of the stock exchanges, the Equity Shares of the Target Company are frequently traded within the meaning of section 2(1) (j) of the SEBI (SAST) Regulations.

6.1.3 The annualized trading turnover in the Equity Shares of the Target Company at the above mentioned Stock Exchanges based on trading volume during the 12 calendar months prior to the month of PA (December 1, 2011 to November 30, 2010) is as given below: -

Stock Exchange	Total No. of Equity Shares traded during the 12 calendar months prior to the month of PA	Total No. of Equity Shares	Annualised Trading Turnover (As % of total Equity Shares)
BSE	2,435,820	12,316,886	19.78%
NSE	3,343,145	12,316,886	27.14%

6.1.4 The Offer Price of ₹ 150.75 (Rupees One Hundred Fifty and Paise Seventy Five only) is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011 being the highest of the following:

Sr. #	Particulars	Price in ₹
(a)	Negotiated Price	N/A
(b)	Volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the 52 weeks immediately preceding the date of the Public Announcement	116.28
(c)	Highest price paid or payable for any acquisition whether by the Acquirer or by any person acting in concert with him, during the 26 weeks immediately preceding the date of the Public Announcement	121.95
(d)	Volume weighted average market price of such Equity Shares for a period of 60 trading days immediately preceding the date of the Public Announcement as traded on the stock exchange where maximum volume of trading in the Equity Shares are recorded during such period	114.81
(e)	The Acquirer has acquired 10 Equity Shares at the Price of ₹ 150.05 of Target Company on 9th March, 2012 at NSE through market purchase after the date of PA at a price higher than the Offer Price of ₹ 122/- . Further, there is a delay in commencement of tendering period, as disclosed in paragraph 6.1.8 and the interest payable is ₹ 0.70. Hence, the Offer Price including interest is ₹ 150.75	150.75

6.1.5 Calculation of the Volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any Person Acting in Concert with him, during the 52 weeks immediately preceding the

date of the Public Announcement as traded on NSE (as the maximum volume of trading in the shares of the Target Company is recorded on NSE during such period) as per regulation 8 (2) of the SEBI (SAST) Regulations, 2011 is as follows:

Date of Acquisition	No. of Shares	Price	Value (₹)
15-Dec-10	3,220	129.91	418,298.38
15-Dec-10	2,393	130.21	311,592.59
16-Dec-10	23,759	135.82	3,226,967.21
16-Dec-10	13,422	133.95	1,797,827.88
21-Dec-10	1,726	135.88	234,535.80
21-Dec-10	3,691	136.08	502,264.91
23-Dec-10	300	135.34	40,602.98
23-Dec-10	2,983	134.68	401,747.75
23-Dec-10	2,822	135.15	381,398.69
24-Dec-10	5,889	135.75	799,418.72
24-Dec-10	1,184	135.32	160,223.59
29-Dec-10	850	138.54	117,759.31
29-Dec-10	27	138.65	3,743.56
30-Dec-10	780	138.80	108,267.51
30-Dec-10	280	138.83	38,873.38
31-Dec-10	965	139.54	134,659.51
31-Dec-10	3,176	139.45	442,891.27
05-Jan-11	141	139.95	19,733.02
05-Jan-11	200	139.98	27,996.66
06-Jan-11	25	139.40	3,485.01
06-Jan-11	200	139.35	27,870.10
07-Jan-11	180	138.83	24,988.64
07-Jan-11	1,763	139.33	245,638.79
10-Jan-11	5,691	138.62	788,885.87
10-Jan-11	4,904	137.66	675,074.86
11-Jan-11	3,407	139.72	476,035.86
11-Jan-11	769	138.29	106,345.29
11-Jan-11	1,856	138.03	256,174.92
12-Jan-11	1,143	138.62	158,447.08
12-Jan-11	4,558	139.27	634,777.35
13-Jan-11	1,675	139.26	233,259.04
13-Jan-11	1,214	138.95	168,688.19
14-Jan-11	3,048	138.92	423,425.94
14-Jan-11	2,086	139.88	291,782.11
17-Jan-11	2,255	138.97	313,369.77
17-Jan-11	1,260	139.22	175,415.87
18-Jan-11	2,480	138.94	344,559.07
18-Jan-11	1,204	138.69	166,978.60
19-Jan-11	5,156	140.16	722,643.42
19-Jan-11	753	139.49	105,032.82
20-Jan-11	6,771	139.74	946,170.81
20-Jan-11	3,720	139.25	518,022.38
21-Jan-11	9,687	136.23	1,319,664.07
21-Jan-11	1,594	135.95	216,704.71
24-Jan-11	1,251	136.83	171,180.03
24-Jan-11	3,900	136.58	532,663.07
25-Jan-11	474	137.34	65,101.37
25-Jan-11	228	137.26	31,294.59

Date of Acquisition	No. of Shares	Price	Value (₹)
27-Jan-11	4,471	142.89	638,858.20
27-Jan-11	3,768	142.65	537,490.64
28-Jan-11	51,752	139.37	7,212,500.30
28-Jan-11	3,900	140.18	546,691.51
31-Jan-11	1,067	138.67	147,960.23
31-Jan-11	4,614	139.08	641,730.06
01-Feb-11	2,193	139.95	306,900.52
01-Feb-11	1,853	139.83	259,111.67
02-Feb-11	361	139.28	50,278.69
02-Feb-11	354	138.75	49,115.88
03-Feb-11	200	139.33	27,866.03
04-Feb-11	162	139.33	22,571.24
07-Feb-11	189	139.33	26,333.11
08-Feb-11	700	139.20	97,439.94
09-Feb-11	6,480	137.33	889,914.11
09-Feb-11	7,700	137.05	1,055,314.29
10-Feb-11	4,835	134.12	648,485.43
10-Feb-11	3,338	136.58	455,901.90
11-Feb-11	2,620	139.20	364,713.15
11-Feb-11	1,693	138.53	234,531.80
14-Feb-11	284	139.89	39,729.84
14-Feb-11	100	138.48	13,847.76
14-Feb-11	55,000	140.75	7,741,255.06
16-Feb-11	171	138.51	23,685.64
16-Feb-11	70	139.33	9,753.25
17-Feb-11	51	138.49	7,063.21
18-Feb-11	296	138.73	41,063.40
22-Feb-11	117	136.51	15,972.01
22-Feb-11	37	135.77	5,023.60
23-Feb-11	250	137.26	34,313.91
23-Feb-11	60	136.41	8,184.50
24-Feb-11	681	135.33	92,161.09
24-Feb-11	247	135.09	33,367.23
25-Feb-11	520	132.73	69,018.87
25-Feb-11	700	131.92	92,346.12
28-Feb-11	182	129.81	23,625.19
28-Feb-11	138	129.97	17,936.22
01-Mar-11	1,160	130.95	151,907.09
01-Mar-11	75	128.35	9,626.54
03-Mar-11	99	128.63	12,734.70
03-Mar-11	126	128.79	16,226.91
04-Mar-11	107	128.55	13,754.65
04-Mar-11	675	130.03	87,767.14
07-Mar-11	1,103	126.88	139,946.15
07-Mar-11	1,842	126.28	232,605.70
08-Mar-11	529	124.64	65,936.30
08-Mar-11	16,445	125.30	2,060,511.12
09-Mar-11	200	123.34	24,667.21
09-Mar-11	691	126.45	87,379.09
10-Mar-11	4	125.95	503.80
10-Mar-11	62	125.40	7,774.81
11-Mar-11	111	125.65	13,947.21

Date of Acquisition	No. of Shares	Price	Value (₹)
11-Mar-11	700	126.60	88,619.69
14-Mar-11	248	124.74	30,935.12
14-Mar-11	900	124.74	112,267.64
15-Mar-11	205	125.28	25,681.96
15-Mar-11	2,080	125.82	261,702.43
16-Mar-11	457	126.22	57,682.96
16-Mar-11	1,546	126.24	195,169.27
17-Mar-11	259	126.12	32,665.23
17-Mar-11	91	124.02	11,286.20
18-Mar-11	237	124.29	29,456.95
18-Mar-11	225	124.41	27,992.13
21-Mar-11	230	123.63	28,435.92
21-Mar-11	1,390	124.00	172,360.57
22-Mar-11	252	125.06	31,514.61
22-Mar-11	471	125.22	58,978.84
24-Mar-11	1,535	124.42	190,984.25
24-Mar-11	751	124.82	93,738.37
25-Mar-11	397	125.17	49,692.78
25-Mar-11	409	124.34	50,854.98
29-Mar-11	1,452	122.29	177,557.84
29-Mar-11	100	122.28	12,228.28
30-Mar-11	140	122.28	17,119.59
30-Mar-11	80	122.28	9,782.63
31-Mar-11	1,370	122.29	167,530.83
01-Apr-11	15	122.15	1,832.24
01-Apr-11	568	122.07	69,338.21
04-Apr-11	54	123.80	6,685.15
04-Apr-11	35	123.40	4,318.98
05-Apr-11	8,346	125.14	1,044,418.46
07-Apr-11	2,743	125.14	343,259.03
07-Apr-11	582	125.17	72,847.92
07-Apr-11	45,419	125.16	5,684,639.46
07-Apr-11	31,256	125.16	3,912,010.92
11-Apr-11	1,029	122.03	125,565.65
13-Apr-11	100	122.15	12,214.89
13-Apr-11	85	122.15	10,382.69
15-Apr-11	255	121.70	31,033.17
15-Apr-11	61	122.07	7,446.53
25-Apr-11	1,400	119.65	167,512.70
25-Apr-11	615	119.78	73,664.92
26-Apr-11	284	119.63	33,976.08
26-Apr-11	142	119.57	16,978.80
05-May-11	40	116.35	4,654.00
05-May-11	60	116.30	6,978.00
06-May-11	40	116.75	4,670.00
06-May-11	60	116.10	6,966.00
09-May-11	672	116.96	78,594.98
09-May-11	651	116.94	76,125.75
10-May-11	91	115.80	10,538.00
11-May-11	1,032	116.02	119,729.80
11-May-11	2,000	116.61	233,221.10
12-May-11	500	129.91	64,952.75

Date of Acquisition	No. of Shares	Price	Value (₹)
13-May-11	540	114.47	61,814.00
13-May-11	500	114.07	57,034.45
16-May-11	1,787	110.39	197,268.88
16-May-11	73	110.76	8,085.35
17-May-11	15	111.50	1,672.50
17-May-11	257	111.44	28,638.95
18-May-11	85	110.15	9,362.75
18-May-11	100	110.82	11,081.60
19-May-11	270	110.05	29,712.95
19-May-11	138	109.54	15,117.10
20-May-11	155	111.05	17,212.75
23-May-11	200	109.91	21,981.00
23-May-11	350	109.94	38,480.00
24-May-11	130	103.26	13,423.30
24-May-11	61	107.15	6,536.15
25-May-11	50	107.25	5,362.50
25-May-11	40	106.20	4,248.00
26-May-11	120	107.53	12,904.00
26-May-11	100	107.05	10,705.00
27-May-11	100	105.25	10,525.00
27-May-11	67	106.07	7,106.70
30-May-11	300	106.68	32,005.30
30-May-11	111	105.16	11,672.65
31-May-11	330	106.39	35,110.30
01-Jun-11	74	107.95	7,988.30
01-Jun-11	10	107.20	1,072.00
02-Jun-11	100	106.26	10,626.10
02-Jun-11	105	106.35	11,166.95
03-Jun-11	188	107.45	20,200.05
03-Jun-11	400	108.01	43,205.00
20-Jun-11	55	104.00	5,720.00
20-Jun-11	195	104.00	20,280.00
21-Jun-11	11	104.00	1,144.00
21-Jun-11	3	104.00	312.00
22-Jun-11	230	104.00	23,920.00
23-Jun-11	398	101.27	40,303.90
23-Jun-11	200	102.80	20,560.00
01-Jul-11	47	105.60	4,963.20
01-Jul-11	101	106.65	10,771.40
04-Jul-11	79	106.17	8,387.30
04-Jul-11	58	108.20	6,275.60
05-Jul-11	54	106.75	5,764.50
06-Jul-11	271	106.94	28,981.45
06-Jul-11	611	107.13	65,454.75
06-Jul-11	1,007	107.14	107,885.75
07-Jul-11	800	107.83	86,260.00
07-Jul-11	310	107.85	33,435.00
08-Jul-11	64	108.30	6,931.20
11-Jul-11	100	107.95	10,795.00
11-Jul-11	130	107.54	13,980.50
12-Jul-11	94	107.65	10,118.89
12-Jul-11	217	107.77	23,386.65

Date of Acquisition	No. of Shares	Price	Value (₹)
13-Jul-11	677	105.37	71,334.70
13-Jul-11	2,118	104.94	222,253.70
14-Jul-11	711	106.36	75,619.09
14-Jul-11	698	106.34	74,223.40
15-Jul-11	1,900	103.78	197,186.90
15-Jul-11	855	103.72	88,682.29
15-Jul-11	5,500	103.10	567,025.00
15-Jul-11	15,087	104.39	1,574,949.55
18-Jul-11	100	102.90	10,290.00
18-Jul-11	150	102.67	15,401.20
19-Jul-11	100	102.77	10,276.50
19-Jul-11	150	102.93	15,440.00
20-Jul-11	480	101.98	48,948.00
20-Jul-11	392	102.11	40,028.00
21-Jul-11	116	102.68	11,910.80
21-Jul-11	200	102.69	20,537.50
22-Jul-11	845	104.82	88,569.12
22-Jul-11	1,168	105.00	122,640.00
25-Jul-11	5,020	103.95	521,846.70
25-Jul-11	5,660	103.59	586,294.40
26-Jul-11	450	100.35	45,156.50
26-Jul-11	550	100.61	55,333.70
27-Jul-11	150	96.60	14,490.10
27-Jul-11	200	96.91	19,382.50
28-Jul-11	150	96.62	14,493.00
28-Jul-11	300	97.12	29,135.00
29-Jul-11	509	95.98	48,854.05
29-Jul-11	144,445	105.65	15,260,180.93
29-Jul-11	126,050	105.79	13,335,099.71
18-Aug-11	98	99.95	9,795.10
18-Aug-11	589	99.00	58,311.95
19-Aug-11	301	97.32	29,293.30
19-Aug-11	700	97.20	68,040.80
22-Aug-11	88	99.16	8,725.80
23-Aug-11	67	99.39	6,658.85
24-Aug-11	50	99.35	4,967.50
25-Aug-11	54	99.49	5,372.20
25-Aug-11	301	99.19	29,856.15
26-Aug-11	244	98.37	24,001.10
26-Aug-11	121	98.32	11,896.60
24-Oct-11	21,214	105.44	2,236,709.34
24-Oct-11	45,895	105.83	4,857,272.05
25-Oct-11	216	104.33	22,534.59
25-Oct-11	2,829	104.64	296,036.05
26-Oct-11	57,901	115.24	6,672,501.54
26-Oct-11	7,300	113.35	827,418.55
28-Oct-11	32,599	110.08	3,588,578.90
28-Oct-11	55,493	110.12	6,110,728.05
31-Oct-11	86,761	110.81	9,614,419.47
31-Oct-11	89,758	110.60	9,926,946.75
01-Nov-11	338	109.40	36,977.20
01-Nov-11	288	109.40	31,507.20

Date of Acquisition	No. of Shares	Price	Value (₹)
01-Nov-11	57,727	110.14	6,357,826.76
01-Nov-11	58,059	110.14	6,394,332.12
02-Nov-11	108	109.85	11,863.80
02-Nov-11	3,058	109.85	335,921.30
02-Nov-11	61,000	110.14	6,718,302.23
02-Nov-11	61,000	110.14	6,718,239.36
03-Nov-11	864	110.29	95,286.67
03-Nov-11	2,898	110.26	319,532.25
03-Nov-11	229,900	110.14	25,320,052.94
08-Nov-11	81	110.30	8,934.30
09-Nov-11	75	110.30	8,272.50
09-Nov-11	81	110.30	8,934.30
11-Nov-11	2,053	110.30	226,445.90
11-Nov-11	2,935	110.29	323,706.25
14-Nov-11	2,242	113.79	255,115.89
14-Nov-11	9,897	112.87	1,117,067.90
15-Nov-11	914	112.26	102,609.40
15-Nov-11	4,342	112.33	487,729.15
16-Nov-11	599	113.34	67,891.90
16-Nov-11	1,784	112.85	201,318.35
17-Nov-11	13,869	117.79	1,633,600.32
17-Nov-11	15,871	117.42	1,863,604.15
18-Nov-11	5,185	115.53	599,022.43
18-Nov-11	1,508	115.54	174,239.25
21-Nov-11	2,862	116.29	332,814.90
21-Nov-11	44,165	115.43	5,097,896.95
22-Nov-11	5	114.10	570.50
22-Nov-11	3,417	115.13	393,391.90
23-Nov-11	2,550	112.10	285,859.96
23-Nov-11	8,292	113.25	939,098.55
24-Nov-11	1,290	113.05	145,834.50
24-Nov-11	3,296	113.13	372,882.70
25-Nov-11	1,029	115.60	118,955.22
25-Nov-11	679	113.90	77,337.30
28-Nov-11	36	116.15	4,181.40
28-Nov-11	787	116.15	91,410.05
29-Nov-11	205,210	121.95	25,025,759.60
30-Nov-11	239	120.37	28,767.55
30-Nov-11	5	120.30	601.50
01-Dec-11	500	121.88	60,937.50
01-Dec-11	1,000	121.87	121,868.10
02-Dec-11	906	119.93	108,654.49
02-Dec-11	470	118.53	55,708.50
05-Dec-11	50	117.00	5,850.00
05-Dec-11	55	117.55	6,465.25
07-Dec-11	219	118.68	25,991.20
07-Dec-11	400	118.37	47,348.05
08-Dec-11	583	119.08	69,421.10
08-Dec-11	5,973	119.90	716,171.35
09-Dec-11	190	116.83	22,197.49
09-Dec-11	406	116.39	47,254.00
12-Dec-11	76	113.25	8,606.79

Date of Acquisition	No. of Shares	Price	Value (₹)
12-Dec-11	308	112.49	34,647.10
13-Dec-11	30	112.25	3,367.50
14-Dec-11	25	113.55	2,838.75
14-Dec-11	108	113.91	12,302.55
TOTAL	1,990,041		231,343,251.49
Volume Weighted Average Price			116.25

6.1.6 The Acquirer during the period of 26 weeks prior to Public Announcement has acquired 15,44,182 Equity Shares of the Target Company. The Highest price paid during the period of 26 weeks prior to the date of Public Announcement is ₹ 121.95/-. The details of acquisitions made by the Acquirer during the period of 26 weeks prior to the Public Announcement are as follows:

Date of Acquisition	No. of Shares	Price (₹)
20-Jun-11	55	104.00
20-Jun-11	195	104.00
21-Jun-11	11	104.00
21-Jun-11	3	104.00
22-Jun-11	230	104.00
23-Jun-11	398	101.27
23-Jun-11	200	102.80
01-Jul-11	47	105.60
01-Jul-11	101	106.65
04-Jul-11	79	106.17
04-Jul-11	58	108.20
05-Jul-11	54	106.75
06-Jul-11	271	106.94
06-Jul-11	611	107.13
06-Jul-11	1,007	107.14
07-Jul-11	800	107.83
07-Jul-11	310	107.85
08-Jul-11	64	108.30
11-Jul-11	100	107.95
11-Jul-11	130	107.54
12-Jul-11	94	107.65
12-Jul-11	217	107.77
13-Jul-11	677	105.37
13-Jul-11	2,118	104.94
14-Jul-11	711	106.36
14-Jul-11	698	106.34
15-Jul-11	1,900	103.78
15-Jul-11	855	103.72
15-Jul-11	5,500	103.10
15-Jul-11	15,087	104.39
18-Jul-11	100	102.90
18-Jul-11	150	102.67
19-Jul-11	100	102.77
19-Jul-11	150	102.93
20-Jul-11	480	101.98
20-Jul-11	392	102.11
21-Jul-11	116	102.68
21-Jul-11	200	102.69
22-Jul-11	845	104.82

Date of Acquisition	No. of Shares	Price (₹)
22-Jul-11	1,168	105.00
25-Jul-11	5,020	103.95
25-Jul-11	5,660	103.59
26-Jul-11	450	100.35
26-Jul-11	550	100.61
27-Jul-11	150	96.60
27-Jul-11	200	96.91
28-Jul-11	150	96.62
28-Jul-11	300	97.12
29-Jul-11	509	95.98
29-Jul-11	144,445	105.65
29-Jul-11	126,050	105.79
18-Aug-11	98	99.95
18-Aug-11	589	99.00
19-Aug-11	301	97.32
19-Aug-11	700	97.20
22-Aug-11	88	99.16
23-Aug-11	67	99.39
24-Aug-11	50	99.35
25-Aug-11	54	99.49
25-Aug-11	301	99.19
26-Aug-11	244	98.37
26-Aug-11	121	98.32
24-Oct-11	21,214	105.44
24-Oct-11	45,895	105.83
25-Oct-11	216	104.33
25-Oct-11	2,829	104.64
26-Oct-11	57,901	115.24
26-Oct-11	7,300	113.35
28-Oct-11	32,599	110.08
28-Oct-11	55,493	110.12
31-Oct-11	86,761	110.81
31-Oct-11	89,758	110.60
01-Nov-11	338	109.40
01-Nov-11	288	109.40
01-Nov-11	57,727	110.14
01-Nov-11	58,059	110.14
02-Nov-11	108	109.85
02-Nov-11	3,058	109.85
02-Nov-11	61,000	110.14
02-Nov-11	61,000	110.14
03-Nov-11	864	110.29
03-Nov-11	2,898	110.26
03-Nov-11	229,900	110.14
08-Nov-11	81	110.30
09-Nov-11	75	110.30
09-Nov-11	81	110.30
11-Nov-11	2,053	110.30
11-Nov-11	2,935	110.29
14-Nov-11	2,242	113.79
14-Nov-11	9,897	112.87
15-Nov-11	914	112.26
15-Nov-11	4,342	112.33
16-Nov-11	599	113.34

Date of Acquisition	No. of Shares	Price (₹)
16-Nov-11	1,784	112.85
17-Nov-11	13,869	117.79
17-Nov-11	15,871	117.42
18-Nov-11	5,185	115.53
18-Nov-11	1,508	115.54
21-Nov-11	2,862	116.29
21-Nov-11	44,165	115.43
22-Nov-11	5	114.10
22-Nov-11	3,417	115.13
23-Nov-11	2,550	112.10
23-Nov-11	8,292	113.25
24-Nov-11	1,290	113.05
24-Nov-11	3,296	113.13
25-Nov-11	1,029	115.60
25-Nov-11	679	113.90
28-Nov-11	36	116.15
28-Nov-11	787	116.15
29-Nov-11	205,210	121.95
30-Nov-11	239	120.37
30-Nov-11	5	120.30
01-Dec-11	500	121.88
01-Dec-11	1,000	121.87
02-Dec-11	906	119.93
02-Dec-11	470	118.53
05-Dec-11	50	117.00
05-Dec-11	55	117.55
07-Dec-11	219	118.68
07-Dec-11	400	118.37
08-Dec-11	583	119.08
08-Dec-11	5,973	119.90
09-Dec-11	190	116.83
09-Dec-11	406	116.39
12-Dec-11	76	113.25
12-Dec-11	308	112.49
13-Dec-11	30	112.25
14-Dec-11	25	113.55
14-Dec-11	108	113.91
TOTAL	1,544,182	
Highest Price Paid by the Acquirer during the 26 weeks immediately preceding the date of the Public Announcement		121.95

6.1.7 Calculation of the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of Public Announcement as traded on NSE (as the maximum volume of trading in the shares of the Target Company is recorded on NSE during such period) as per Regulation 8 (2) (d) of the SEBI (SAST) Regulations, 2011 is as follows:

Date	Weighted Average Price (WAP)	Total Traded Quantity	Turnover in ₹
14-Dec-11	118.18	110	13,000
13-Dec-11	107.69	65	7,000
12-Dec-11	112.1	1,454	163,000
09-Dec-11	116.59	1,561	182,000
08-Dec-11	119.97	6,585	790,000
07-Dec-11	119.93	1,651	198,000

Date	Weighted Average Price (WAP)	Total Traded Quantity	Turnover in ₹
05-Dec-11	119.32	176	21,000
02-Dec-11	119.44	720	86,000
01-Dec-11	122.4	2,933	359,000
30-Nov-11	124.02	7,644	948,000
29-Nov-11	124.07	265,962	32,997,000
28-Nov-11	118.46	1,224	145,000
25-Nov-11	113.66	1,047	119,000
24-Nov-11	112.83	4,449	502,000
23-Nov-11	112.96	9,260	1,046,000
22-Nov-11	115.29	3,617	417,000
21-Nov-11	115.37	51,009	5,885,000
18-Nov-11	115.72	2,748	318,000
17-Nov-11	117.26	21,635	2,537,000
16-Nov-11	112.86	2,791	315,000
15-Nov-11	112.23	6,255	702,000
14-Nov-11	112.7	12,360	1,393,000
11-Nov-11	110.52	4,117	455,000
09-Nov-11	111.52	538	60,000
08-Nov-11	112.81	1,569	177,000
04-Nov-11	113.68	4,548	517,000
03-Nov-11	110.78	7,447	825,000
02-Nov-11	110.07	68,631	7,554,000
01-Nov-11	110.1	71,279	7,848,000
31-Oct-11	110.65	114,755	12,698,000
28-Oct-11	110.3	72,549	8,002,000
26-Oct-11	115.71	28,105	3,252,000
25-Oct-11	104.66	4,376	458,000
24-Oct-11	106.45	82,538	8,786,000
21-Oct-11	97.8	1,769	173,000
20-Oct-11	99.4	1,328	132,000
19-Oct-11	98.83	1,285	127,000
18-Oct-11	98.95	1,809	179,000
17-Oct-11	99.67	301	30,000
14-Oct-11	98.36	61	6,000
13-Oct-11	100.56	1,780	179,000
12-Oct-11	101.64	856	87,000
11-Oct-11	99.77	1,283	128,000
10-Oct-11	99.01	303	30,000
07-Oct-11	101.27	316	32,000
05-Oct-11	99.51	1,216	121,000
04-Oct-11	99.73	371	37,000
03-Oct-11	99.38	2,566	255,000
30-Sep-11	97.56	123	12,000
29-Sep-11	95.24	105	10,000
28-Sep-11	101.03	485	49,000
27-Sep-11	100	770	77,000
26-Sep-11	100.33	2,412	242,000
23-Sep-11	104.24	2,408	251,000
22-Sep-11	106.98	215	23,000
21-Sep-11	107.66	418	45,000
20-Sep-11	108.7	230	25,000
19-Sep-11	104.65	344	36,000

Date	Weighted Average Price (WAP)	Total Traded Quantity	Turnover in ₹
16-Sep-11	106.49	1,033	110,000
15-Sep-11	103.93	356	37,000
	TOTAL	889,851	102,208,000
	Volume Weighted Average Market Price		114.86

6.1.8 The Acquirer has made certain purchases after the date of PA but before the date of this LOF from the open market as enumerated in paragraph 3.2.8 above. Amongst the purchases, the highest price paid by the Acquirer to acquire the Equity Shares of the Target Company is ₹ 150.05 for purchase of 10 Equity Shares on 9th March, 2012. Consequently, the open offer price accordingly stands revised to ₹ 150.05. Pursuant to the above, the Manager to the Offer has published the Supplemental Public Announcement, dated 13th March, 2012 in Financial Express (English); Jansatta (Hindi) & Navshakti (Marathi), on behalf of the Acquirer in compliance with to regulation 18(5) of SEBI (SAST) Regulations. Further, in terms of a letter dated 20th December, 2012 issued by SEBI to the Manager, since the commencement of the Tendering Period has been delayed, the Acquirer shall pay an interest at the rate of 10 percent over and above the aforesaid Offer Price of ₹ 150.05. Therefore, the Offer Price has been further revised to ₹ 150.75 as calculated hereunder:

Particulars	Amount in ₹
Offer Price	150.05
Interest @ 10% p.a. for delay of 17 days in commencement of Tendering Period from 19 th December 2012 to 4th January, 2013	0.70
TOTAL	150.75

6.1.9 In terms of the SEBI Letter dated 25th July, 2012, SEBI had *alleged* that the Acquirer had triggered the SEBI (SAST) Regulations, 1997 on 29th July, 2011 and since no public announcement under the aforesaid regulations was made, he had allegedly violated the same. Further, SEBI also required the Acquirer to make the payment to the shareholders as per the price that would have been paid based on the trigger date of 29th July, 2011 along with the interest of 10% p.a.

On 29th July, 2011 the Acquirer had bought and sold 2,71,004 Equity Shares representing 2.10% of the equity & voting share capital while his holding prior to this acquisition was 18,42,635 presenting 14.97% of Equity Share capital.

As a result of the above acquisition of shares, the Acquirer crossed 15% of Equity and voting share capital on 29th July, 2011 and necessitated an Open Offer pursuant to and in terms of regulation 10 read with 14(1) of the SEBI (SAST) Regulations, 1997. However, as per SEBI, since the Acquirer failed to make the Open Offer on 29th July, 2011, he has allegedly violated the regulation 10 read with 14(1) of the SEBI (SAST) Regulations 1997.

As per the SEBI (SAST) Regulations, 1997, the Acquirer shall be required to pay interest to the shareholders of the Target Company for the period of delay *i.e.*, from the date of triggering of the Open Offer (29th July, 2011) till the actual date of PA. (15th December, 2011). SEBI has directed the Acquirer *vide* its aforesaid letter dated 25th July, 2012 to calculate the offer price as well as interest @ 10% taking 29th July, 2011 as the trigger date.

The Offer Price per Equity Share in terms of Regulation 20 (4) of the SEBI (SAST) Regulations, 1997 should be highest of the following:

Sr. No.	Particulars	Amount in ₹
1	Negotiated price under SPA	NA
2	Highest Price paid by Acquirer or PACs for any acquisition (including by way of allotment in a public or rights or preferential issue) during the 26 weeks prior to the date of this PA.	142.89
3*	The average of the weekly high and low of the closing prices of shares of Target Company on BSE, where it is most frequently traded, during the 26 weeks period preceding the date of the PA.	118.68
4#	The average of the daily high and low of the shares of the Target Company on BSE,	101.54

Sr. No.	Particulars	Amount in ₹
	where it is most frequently traded, during the 2 weeks period preceding the date of the PA.	
Source: www.bseindia.com		

Based on the above the Offer Price being highest of the above is ₹ 142.89

**The average of the weekly high and low of the closing prices of shares of Target Company on BSE, where it is most frequently traded, during the 26 weeks period preceding the date of the PA.*

Sr. No	Week Start Date	Week end date	High Price	Low Price	Average
1	29-Jan-11	04-Feb-11	140.95	139.00	139.98
2	05-Feb-11	11-Feb-11	141.00	136.95	138.98
3	12-Feb-11	18-Feb-11	140.65	139.05	139.85
4	19-Feb-11	25-Feb-11	138.75	133.00	135.88
5	26-Feb-11	04-Mar-11	131.10	128.30	129.70
6	05-Mar-11	11-Mar-11	125.85	124.30	125.08
7	12-Mar-11	18-Mar-11	126.00	124.05	125.03
8	19-Mar-11	25-Mar-11	126.35	124.00	125.18
9	26-Mar-11	01-Apr-11	124.75	122.20	123.48
10	02-Apr-11	08-Apr-11	125.00	122.10	123.55
11	09-Apr-11	15-Apr-11	123.95	122.05	123.00
12	16-Apr-11	22-Apr-11	124.30	121.35	122.83
13	23-Apr-11	29-Apr-11	119.80	119.00	119.40
14	30-Apr-11	06-May-11	117.45	115.50	116.48
15	07-May-11	13-May-11	116.95	114.45	115.70
16	14-May-11	20-May-11	113.05	110.20	111.63
17	21-May-11	27-May-11	110.70	105.25	107.98
18	28-May-11	03-Jun-11	111.30	106.40	108.85
19	04-Jun-11	10-Jun-11	117.90	110.15	114.03
20	11-Jun-11	17-Jun-11	113.50	109.60	111.55
21	18-Jun-11	24-Jun-11	105.00	100.65	102.83
22	25-Jun-11	01-Jul-11	109.85	105.05	107.45
23	02-Jul-11	08-Jul-11	109.15	106.50	107.83
24	09-Jul-11	15-Jul-11	108.50	102.95	105.73
25	16-Jul-11	22-Jul-11	105.50	101.35	103.43
26	23-Jul-11	29-Jul-11	106.05	94.70	100.38
Average of 26 weeks High/Low Closing price					118.68

#The average of the daily high and low of the shares of the Target Company on BSE, where it is most frequently traded, during the 2 weeks period preceding the date of the PA.

	Date	Day	High	Low	Average
Week I	July 16, 2011	Saturday	N.A.	N.A.	0.00
	July 17, 2011	Sunday	N.A.	N.A.	0.00
	July 18, 2011	Monday	105.75	102.2	103.98
	July 19, 2011	Tuesday	103	102.1	102.55
	July 20, 2011	Wednesday	104.65	100.05	102.35
	July 21, 2011	Thursday	103	101.25	102.13
	July 22, 2011	Friday	105.65	103	104.33
Week II	July 23, 2011	Saturday	N.A.	N.A.	0.00
	July 24, 2011	Sunday	N.A.	N.A.	0.00
	July 25, 2011	Monday	108	101.1	104.55
	July 26, 2011	Tuesday	106.45	94	100.23
	July 27, 2011	Wednesday	99.9	95.2	97.55
	July 28, 2011	Thursday	97.7	93	95.35
	July 29, 2011	Friday	109.75	94.95	102.35
Average of Daily High/ Low					101.54

Calculation of interest from 29th July, 2011 till 15th December 2011.

Particulars	Amount in ₹
Offer Price	142.89
Interest @ 10% p.a. for delay of 139 days from 29 th July, 2011 to 15 th December, 2011	5.44
TOTAL	148.33

The offer price to be paid to shareholders as calculated above is lesser than the current Open Offer price of ₹ 150.75

6.2. Financial arrangements

- 6.2.1. Assuming full acceptance of the Open Offer, the total fund requirement for acquisition of 33,38,042 Equity Shares from the Shareholders of the Target Company at an Offer Price of ₹ 150.75 per Equity Share would be ₹ 50,32,09,832 (Rupees Fifty Crore Thirty Two Lacs Nine Thousand Eight Hundred and Thirty Two only). The Acquirer has adequate resources to meet the financial requirement of the Open Offer.
- 6.2.2. The Acquirer has opened an escrow account with Kotak Mahindra Bank (“**Escrow Bank**”), having their branch office at Kandi Tower, CTS No 12995, Jalna Road, Aurangabad, Maharashtra - 431 001, in the name of “R Systems International Limited-Open Offer Escrow Account” bearing no. 6011147598 (“**Escrow Account**”) and deposited an amount, of ₹ 12,54,88,500/- (Rupees Twelve Crore Fifty Four Lac Eighty Eight Thousand Five Hundred only) in cash and thereafter deposited an additional amount of ₹ 37,81,11,500 (Rupees Thirty Seven Crore Eighty One Lac Eleven Thousand and Five Hundred only) in cash, as instructed by SEBI *vide* its letters bearing numbers CFD/DCR/TO/CB/OW/16697/12 dated 25th July, 2012 and CFD/DCR/TO/CB/26876/12 dated 3rd December, 2012 and in compliance with regulation 22(2) of the SEBI (SAST) Regulations, so as to make the escrow 100% of the total purchase consideration payable under the Open Offer assuming full acceptance at the Offer Price i.e. ₹ 50,32,09,832 (Rupees Fifty Crore Thirty Two Lacs Nine Thousand Eight Hundred and Thirty Two only). The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Open Offer. The Acquirer has authorized the Manager to operate the Escrow Account in compliance with Regulation 17 of the SEBI (SAST) Regulations.
- 6.2.3. The Acquirer has adequate resources and has made firm financial arrangements to finance the acquisition of Equity Shares of the Target Company under the Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through the personal funds of the Acquirer *viz.* investments, fixed deposits etc.
- 6.2.4. M/s B. P. Singh and Company, Chartered Accountants having their office at 414, Labh Chambers, Station Road, Aurangabad, 431005 vide certificate dated 12th March, 2012 have confirmed that sufficient resources are available with the Acquirer to fulfil the obligations under the Open Offer.
- 6.2.5. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Open Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that firm arrangements of funds for payment through verifiable means are in place to fulfil the obligations of the Open Offer.

7. TERMS AND CONDITIONS OF THE OFFER

- 7.1. The Open Offer is not subject to any minimum level of acceptance and there are no locked-in shares of the Target Company.
- 7.2. The Open Offer is being made to all the shareholders of the Target Company. This Letter of Offer along with the Form of Acceptance cum Acknowledgement and Transfer Deed (for shareholders holding Equity Shares in the physical form) will be mailed to all those shareholders of the Target Company except the Acquirer whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the beneficial records of the respective depositories, at the close of business on the Identified Date (*i.e.*, Thursday, 20th December, 2012). Owners of Equity Shares who are not registered as shareholder(s) are

also eligible to participate in the Open Offer at any time prior to the date of closing of the Tendering Period i.e. 17th January, 2013.

- 7.3. All owners of the Equity Shares, Registered or Unregistered who own the shares any time prior to the Closing of the Open Offer are eligible to participate in the Open Offer. Unregistered owners can send their application in writing to the Registrar to the Offer on or before closure of the tendering period on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the Original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.
- 7.4. Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Open Offer in anyway.
- 7.5. The Open Offer is subject to the terms and conditions set out in this Letter of Offer, the DPS, PA, 1st Supplemental PA, 2nd Supplemental PA, and any other public announcements that may be issued about the Open Offer.
- 7.6. This Open Offer is subject to the receipt of the statutory or other approvals mentioned in paragraph 7.13 herein below of this Letter of Offer. In terms of Regulation 23(1) (a) of SEBI (SAST) Regulations, if the statutory approvals required to make this Open Offer are refused, the Open Offer would stand withdrawn.
- 7.7. The Tendering Period will open on 4th January, 2013 and closes on 17th January, 2013.
- 7.8. The acceptance of the Open Offer is entirely at the discretion of the shareholders of the Target Company. Each shareholder of the Target Company to whom the Open Offer is being made, is free to offer his shareholding in the Target Company, in whole or in part while accepting the Open Offer.
- 7.9. The acceptance of the Open Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.10. Tendered Equity Shares that are subject to any charge, lien or encumbrance or court order/any other attachment/dispute are liable to be rejected. Tendered Equity Shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target Company may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such Equity Shares are received together with the Equity Shares tendered under the Open Offer prior to the date of closing of the Tendering Period.
- 7.11. The Acquirer will not be responsible in any manner for any loss of Equity Share certificate(s) and other documents during transit. The Shareholders of the Target Company are therefore advised to adequately safeguard their interest in this regard.

7.12. The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

7.13. Statutory and other approvals:

7.13.1. Save and except as has been permitted in terms of A.P.DIR Circular No. 43 dated 4th November 2011 bearing no. RBI/2011- 12/ 247 issued by the Reserve Bank of India, transfer of shares from non-resident equity shareholders to resident shareholder will require the prior permission of the RBI save and except where:

- i. *The original and resultant investment are in line with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality (such as minimum capitalization, etc.), reporting requirements, documentation, etc.;*
- ii. *The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations / guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/ substantial acquisition / SEBI SAST,*

buy back); and

iii. *Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations / guidelines as indicated above is attached to the form FC-TRS to be filed with the AD (“Authorised Dealer”) bank.*

Since the Equity Shares are being acquired under the Open Offer made under the SEBI (SAST) Regulations, the price at which such Open Offer shares will be acquired has been determined in accordance with the SEBI (SAST) Regulations. Given that pursuant to the Open Offer, the Equity Shares may have to be acquired from persons resident outside India, the Acquirer had made an application to Reserve Bank of India dated 15th December 2011 seeking approval for the acquisition of shares pursuant to the Open Offer from non-resident shareholders. RBI, vide its reply dated 19th December 2011 re-iterated the position in terms of the Circular dated 4th November 2011 which states that as a measure to further liberalize and rationalize the procedure and policies governing FDI in India, RBI has decided to allow, without prior RBI approval, the transfer of shares from Non Resident to Resident under the FDI scheme where RBI pricing guidelines are not met, subject to certain conditions as mentioned in the aforesaid Circular dated 4th November, 2011.

- 7.14. This Open Offer is subject to conditions of the RBI approval as mentioned above for acquisition of Equity Shares by the Acquirer from non-resident Shareholders. While tendering Equity Shares under the Open Offer, non-resident Shareholders (Non Resident Indians/Overseas Corporate Bodies/Foreign Shareholders) will be required to submit, wherever applicable, the previous approvals (specific or general) obtained from the RBI and/or the Foreign Investment Promotion Board (as applicable) for acquiring the Equity Shares of the Target Company. In case such previous approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.
- 7.15. To the best of the knowledge of the Acquirer, as on the date of this LOF, no approval from any bank or financial institution is required.
- 7.16. As on the date of this Letter of Offer, to the best of the knowledge of the Acquirer other than as mentioned above, no statutory approval is required to be obtained for the purpose of the Open Offer. If any other statutory approvals are required or become applicable, the Open Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Open Offer in the event that such statutory approvals that are required are refused, in terms of Regulations 23 of the SEBI (SAST) Regulations. The Open Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.
- 7.17. The Acquirer, in terms of Regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Open Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which the Detailed Public Statement was published.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1. The Acquirer has appointed **Link Intime India Private Limited** as the Registrar to the Offer.
- 8.2. All eligible equity shareholder(s) of fully paid Equity Shares of the Target Company, registered or unregistered who wish to avail and accept the Offer will be required to communicate their acceptance (**by hand delivery or registered post**) along with all relevant documents in the form and manner specified in this LOF / Form of Acceptance cum Acknowledgement at below mentioned collection centre on or before closure of the Open Offer i.e. 17th January, 2013. The documents shall be tendered at below mentioned collection centre. The centre will be closed on Sundays and public holidays.

Name and Address of Collection Centres	Working and Timings	Mode of Delivery
Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai 400078. Email : rsil.offer@linkintime.co.in Ph: 022-25967878 Fax:022-25960329 Contact Person : Mr. Pravin Kasare	Monday to Friday from 10.00 a.m. to 4:30 p.m Saturday from 10.00 a.m. to 1.00 p.m	Hand Delivery & Registered Post

- 8.3. Shareholder(s) are advised to ensure that the Form of Acceptance and other documents are complete in all respects; otherwise the same are liable to be rejected. Please note that the all-relevant documents, Original Share Certificates, Valid Transfer Deed and other documents in relation to the acceptance of the Offer should not be sent to the Acquirer, Target Company and the Manager to the Offer. The same should only be sent to the Registrar to the Offer at the collection centre mentioned hereinabove.
- 8.4. If the aggregate of the valid responses to the Offer exceeds 33,38,042 fully paid up Equity Shares, then the Acquirer shall accept the valid applications received on a proportionate basis in such a way that acquisition from a shareholder shall not be less than the market lot or the entire holding, if it is less than the market lot. The marketable lot of the Target Company is 1 (One) Equity Share.
- 8.5. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations and that where the statutory approvals extend to foreign shareholders, the acquirer shall have the option to make payment to such shareholders in respect of whom no statutory approvals are required.
- 8.6. Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholder's sole risk to the sole/ first shareholder.
- 8.7. The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgment, if any, and the transfer form(s) on behalf of the shareholder(s) of the Target Company who have accepted the Open Offer, till the cheques/drafts for the consideration and/ or the unaccepted shares/share certificates are despatched/ returned.
- 8.8. **Procedure for Equity Shares held in physical form**
 In case of the Equity Shares in physical form, the share certificate(s), transfer deed, Form of Acceptance cum Acknowledgement and other documents, as required should be sent only to the Registrar to the Offer, at the collection centre mentioned in paragraph 8.2 of this LOF.
No document/s should be sent to the Acquirer, the Manager or the Target Company.
- 8.8.1. **Registered shareholders of the Target Company should enclose:**
- i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole / joint shareholders whose name(s) appears on the equity share certificate and in the same order and as per the specimen signature lodged with the Target Company;
 - ii) Original equity share certificate(s); and
 - iii) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures as mentioned above.

In case of registered shareholders, non receipt of the Form of Acceptance cum Acknowledgment, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the Offer has been accepted.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.

8.8.2. Unregistered owners of Equity Shares/owners who have sent their Equity Shares for transfer to the Target Company should enclose:

- i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
- ii) Original equity share certificate(s);
- iii) Original broker contract note;
- iv) Valid share transfer deed(s) as received. The details of buyer should be left blank failing which the same will be considered invalid under the Open Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance; and
- v) The acknowledgement received, if any, from the Target Company, in case the Equity Shares have been lodged with the Target Company. Such persons should instruct the Target Company and its registrar and transfer agents to send the transferred share certificate(s) directly to the collection centre as mentioned in paragraph 8.2 of this LOF. The applicant should ensure that the certificate(s) reach the designated collection centre before the date of closing of the Tendering Period i.e. 17th January, 2013.

Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, Link Intime India Private Limited, at the collection centre as mentioned in paragraph 8.2 of this LOF, on plain paper stating name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio numbers, together with the original share certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in “**Off-market**” mode in case of Equity Shares held in dematerialized form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners. Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI’s website (www.sebi.gov.in) along with the aforesaid documents.

8.9. Procedure for the Equity Shares held in dematerialised form

In case of dematerialised Equity Shares, the shareholders should ensure that the credit to the Special Depository Account mentioned in paragraph 8.9.2 below of this LOF should be received on or before 4.00 PM on 17th January, 2013. In order to ensure this, beneficial owners should tender the delivery instructions at least 2 working days prior to closure of the tendering period. Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the abovementioned date will be rejected.

8.9.1. Beneficial owners should enclose:

- i) Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance cum Acknowledgment has to be tendered by the beneficial holder of the Equity Shares only.
- ii) In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Special Depository Account, the Open Offer shall be deemed to be accepted.
- iii) A photocopy or counterfoil of the Delivery Instructions in “**Off-market**” mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.

8.9.2. The Registrar to the Offer, has opened a Special Depository Account with NSDL called “**LIPL RSIL Open Offer Escrow Demat Account**”. Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Special Depository Account:

DP Name	Ventura Securities Limited
DP ID	IN303116
Client ID No	10904238
Account Name	LIPL RSIL Open Offer Escrow Demat Account
Depository	NSDL

Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slips for crediting their shares in favour of the special depository account with NSDL.

8.9.3. In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Special Depository Account, the Open Offer shall be deemed to be accepted.

8.10. Shareholders who have sent their equity share certificates for dematerialisation should enclose:

8.10.1. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein by the sole/joint equity shareholders whose name appears on the equity share certificate and in the same order and as per the specimen signature lodged with the Target Company.

8.10.2. A copy of the dematerialisation request form duly acknowledged by the shareholders depository participant.

8.10.3. Such shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Tendering Period, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the shareholders depository participants, the shareholders can withdraw their dematerialisation request and tender the equity share certificates in the Offer as per procedure mentioned in paragraph 8.8 of this DLOF.

8.10.4. Shareholders holding shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8.11. Compliance with Tax requirements:

I General

A) As per the provisions of Section 195(1) of the Income Tax Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act on any sum payable to such non-resident Equity Shareholder. The consideration received by the non-resident Equity Shareholders for the Equity Shares accepted in this Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirer is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act, on such consideration payable to such non-resident Equity Shareholder. Further, the Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on the payment of any interest (paid for delay in payment of the Offer Price) by Acquirer to a non-resident Equity Shareholder.

B) As per the provisions of Section 194A of the Income Tax Act, the payment of any interest by Acquirer to a resident Equity Shareholder is subject to deduction of tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of the Offer Price).

C) Each Equity Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other taxable entity). In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the Equity Shareholder is a non-resident Equity Shareholder and taxes shall be deducted treating the Equity Shareholder as a non-resident and at the rate as may be applicable, under the Income

Tax Act, to the relevant category to which the Equity Shareholder belongs, on the entire consideration and interest if any, payable to such Equity Shareholder.

- D) Any non-resident Equity Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish the Tax Residence Certificate (“TRC”) provided to him/it by the income tax authority of such other foreign country of which he/it claims to be a tax resident, which has been inserted as a mandatory requirement by the Finance Act, 2012. Any Equity Shareholder claiming benefit under DTAA should submit along with the TRC, a certificate for deduction of tax at lower or nil rate from the income tax authorities and taxes would be deducted by the Acquirer in accordance with such certificate. In the absence of TRC and a certificate for deduction of tax at lower or nil rate obtained from income tax authorities, the taxes would be deducted at the rates (including surcharge and education cess as applicable) as dealt with in the following paragraphs 8.2 and 8.3 for each category of the Equity Shareholder(s).
- E) All Equity Shareholders (including FIIs) are required to submit their PAN along with self attested copy of the PAN card for income-tax purposes. If not, the Acquirer will arrange to deduct tax at the rate of 20% as per Section 206AA of the Income Tax Act or at such tax rate (including surcharge and education cess as applicable), as dealt with in the paragraphs above for each category of the Equity Shareholders, whichever is higher. The provisions of Section 206AA of the Income Tax Act would apply only where there is an obligation to deduct tax at source.
- F) The Acquirer will not accept any request from any Equity Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self computation/computation by any tax consultant, of capital gain or business income and/or interest, if any and tax payable thereon
- G) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

The provisions contained in paragraph I A) to E) above are subject to anything contrary contained in paragraphs II to V below.

II Tax Implications in case of non-resident Equity Shareholders (other than FII)

- A) In the case of non-resident Equity Shareholders (excluding FIIs), in order to claim the benefit of deduction of tax on net capital gains, as against the gross consideration, the shareholder should obtain a certificate from the appropriate income tax authorities certifying the net income chargeable to capital gains tax and the rate at which the taxes should be deducted by the Acquirer. The Acquirer will arrange to deduct taxes at source in accordance with such certificate. In the absence of such certificate, tax would be deducted at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or a company etc.
- B) Interest, if any, payable to all non-resident Equity Shareholders (excluding FII) on account of any delay in payment of the Offer Price by the Acquirer, would also be subjected to deduction of tax at source at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or a company etc. However, if the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

III Tax Implications in case of FII Equity Shareholder

- A) As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Section 115AD of the Income Tax Act. The Acquirer would not deduct at tax at source on the payments to FIIs, subject to the following conditions:
 - (i) FIIs are required to furnish the copy of the registration certificate issued by SEBI;

(ii) FIIs are required to certify the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the Equity Shares. The benefits under Section 196D(2) are applicable in case the Equity Shares are held on capital account; and

(iii) FIIs shall also certify the nature of its income (i.e. whether capital gains or business income) on the sale of the Equity Shares. The benefits under Section 196D (2) of the Income Tax Act are applicable in case the nature of the FII's income is treated as capital gains.

- B) If the above conditions are not satisfied, the Acquirer shall deduct tax at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust.
- C) If it is certified by the FII that Equity Shares are held on trade account, the Equity Shareholder should obtain a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities indicating the amount of income on which tax should be deducted and the applicable rate of tax. If such a certificate is provided, the Acquirer will arrange to deduct taxes at source in accordance with such certificate. In the absence of such a certificate, the Acquirer would deduct tax at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust.
- D) Interest payments by the Acquirer for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust. However, if the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

IV Tax Implications in case of resident Equity Shareholders

- A) There would be no deduction of tax at source from the consideration payable in respect of the transfer of Equity Shares by a resident Equity Shareholder.
- B) Interest payments by the Acquirer for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the applicable tax rate (including surcharge and cess) under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or company or any other person. If the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.
- C) Notwithstanding anything contained in paragraph IV above, no deduction of tax shall be made at source by the Acquirer where the total amount of interest payable to a resident Equity Shareholder does not exceed ₹5,000 or where a self declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962), as may be applicable, and duly executed, has been furnished to the Acquirer. The self declaration in Form 15G and Form 15H (as provided in the Income Tax Rules, 1962) will not be regarded as valid unless the resident Equity Shareholder furnished its PAN in such declaration.

V Tax Implications in foreign jurisdictions

- A) Apart from the above, the Acquirer are entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Equity Shareholder is a resident for tax purposes ("Overseas Tax"). For this purpose, the non-resident Equity Shareholder shall furnish a self declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Equity Shareholder is a tax resident and the Acquirer will be entitled to rely on this representation at their sole discretion.
- B) Notwithstanding the details given above, all payments will be made to Equity Shareholders subject to compliance with prevailing tax laws.

- C) The tax deducted by the Acquirer while making payment to a Equity Shareholder may not be the final tax liability of such Equity Shareholder and shall in no way discharge the obligation of the Equity Shareholder to appropriately disclose.

8.12. Procedure to be adopted in case of non-receipt of the Letter of Offer

8.12.1. By Shareholders holding Equity Shares in physical form

- (i) In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer at the collection centre as mentioned in paragraph 8.2 of this LOF, on plain paper stating their name, address, number of Equity Shares held, no. of Equity Shares offered, distinctive numbers, folio numbers together with the original share certificate(s), valid transfer deeds, so as to reach the Registrar to the Offer on or before the date of closing of the Tendering Period i.e. 17th January, 2013.
- (ii) Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of Equity Shares.
- (iii) Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.
- (iv) No indemnity is required while sending the acceptance of the Open Offer on plain paper.
- (v) Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

8.12.2. By Shareholders holding Equity Shares in dematerialised form

- (i) Beneficial Owners may send the acceptance of the Open Offer in writing to the Registrar to the Offer at the collection centre as mentioned in paragraph 8.2 of this LOF, on plain paper, stating name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in “**Off market**” mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 8.9 of this LOF, so as to reach the Registrar to the Offer on or before the closing of the Tendering Period *i.e.*, 17th January, 2013.
- (ii) Shareholders, having their beneficial account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.
- (iii) No indemnity is required while sending the acceptance of the Offer on plain paper.
- (iv) Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

8.13. Payment of consideration

- 8.13.1 Payment to those shareholders whose share certificates and/or other documents are found valid and in order will be by way of a crossed account payee cheque/demand draft/pay order or through Direct Credit (DC), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), National Electronic Clearing Service (NECS), at specified centre where clearinghouses are managed by the RBI within 10 days from the date of closure of Offer *i.e.*, 17th January, 2013. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS are requested to give the authorization for the same in the Form of Acceptance cum Acknowledgment and enclose a photocopy of cheque along with the Form of Acceptance cum Acknowledgment. The decision regarding the acquisition (in part or full), or rejection of, the shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired shares and/or (ii) share certificates for any rejected shares or shares withdrawn, will be dispatched to the shareholders by registered

post at the shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance cum Acknowledgment.

- 8.13.2 Shareholders, while tendering their shares in the Offer may indicate an option to receive the payment of Offer Price through electronic form by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment consideration for Equity Shares accepted under the Offer, in such cases, may be made through DC/NEFT/RTGS/NECS, as applicable, at specified centre where clearing houses are managed by the RBI, wherever possible. In other cases, payment of consideration would be made through cheque/demand draft/pay order sent by registered post/speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement shall provide the Magnetic Ink Character Recognition (MICR) / Indian Financial System Code (IFSC) of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum Acknowledgement. In case of joint holders/unregistered owners, payments will be made in the name of the first holder/unregistered owner.
- 8.13.3 For the purposes of electronic transfer, in case of shareholders opting for electronic payment of consideration and for purposes of printing on the cheque/demand draft/pay-order for the other cases, the bank account details will be directly taken from the depositories' database, wherever possible. A shareholder tendering Equity Shares in the Open Offer, is deemed to have given consent to obtain the bank account details from the depositories, for this purpose. Only if the required details cannot be obtained from the Depositories' database then the particulars provided by the shareholders would be used.
- 8.13.4 For shareholders, who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected/not credited through DC/NEFT/RTGS/NECS, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through speed post/registered post. Such payment consideration will be made by cheque/demand draft/pay order payable at par at places where the address of the shareholder is registered. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgement.

9. DOCUMENTS FOR INSPECTION

- 9.1. Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, KJMC Corporate Advisors (India) Limited (formerly KJMC Global Market (India) Limited), on all working days from the date of opening of the Tendering Period till the date of closing of the Tendering Period between 10.00 a.m. to 04.30 p.m. except Saturdays, Sundays and Public Holidays:
- 9.1.1. Certificate from the Mr. B.P. Singh of M/s B.P. Singh and Co., Chartered Accountants (Membership No: 104836) having their office at 414, Labh Chambers, Station Road, Aurangabad, 431005 dated 10th December, 2011 certifying the net worth of the Acquirer.
- 9.1.2. Certificate from M/s B. P. Singh and Company, Chartered Accountants having their office at 414, Labh Chambers, Station Road, Aurangabad, 431005 dated 12th March 2012 confirming that sufficient resources are available with the Acquirer to fulfil the obligations under the Open Offer;
- 9.1.3. Annual Reports of the Target Company for the last three years;
- 9.1.4. A letter from Kotak Mahindra Bank Limited dated 20th December, 2011 & 12th March, 2012 confirming the amount ₹ 10,20,30,000 & ₹ 2,34,58,500 respectively kept in the escrow account and a lien in favour of Manager to the Offer;
- 9.1.5. A letter from Kotak Mahindra Bank Limited dated 21st December, 2012 confirming the balance of

the Escrow Account of ₹ 50,36,00,000 respectively kept in the escrow account and a lien in favour of Manager to the Offer;

- 9.1.6. A copy of PA, DPS, 1st Supplemental PA and 2nd Supplemental PA published in all editions of The Financial Express (English National Daily), Jansatta (Hindi National Daily) and Nav Shakti in Mumbai Edition (Regional Language Marathi);
- 9.1.7. A copy of the recommendation made by the Target Company's Board, as may be received;
- 9.1.8. A copy of the Observation letter bearing No. CFD/DCR/TO/CB/OW/16697/12 from SEBI dated 25th July, 2012;
- 9.1.9. A copy of the Observation letter bearing No. CFDDCR/TO/CB/26876/12 from SEBI dated 3rd December 2012;
- 9.1.10. A copy of the agreement entered into with Depository Participant for opening a Special Depository Account for the purpose of the Open Offer;

9.1.11. Complaints & Acquirer's responses

A) R Systems International Ltd – Target Company

Complaints dated 7th January 2012, 1st February 2012, 14th February 2012 and 15th March 2012 and Acquirer's responses to the said complaints dated 13th January 2012, 23th January 2012, 10th February 2012 and 7th March 2012

B) Satinder Singh Rekhi – Promoter of Target Company

Complaints dated 13th January 2012, 22nd February 2012 and 15th March 2012 and Acquirer's responses to the said complaints dated 14th February 2012. Further, complaints dated 4th September, 2012 and 13th September, 2012.

C) Aktar Razvi

Complaints dated 13th February 2012, 22nd February 2012 and 1st March 2012 and Acquirer's responses to the said complaints dated 16th February 2012, 26th April 2012, 27th April 2012 and 26th June 2012

D) Uday Sharma

Complaints dated 29th March 2012 and 24th April 2012 Acquirer's responses to the said complaints dated 30th March 2012 and 26th June 2012

9.1.12. Correspondences with SEBI

- A) Information submitted to SEBI vide letter dated 13th January 2012 pursuant to the meeting held with SEBI on 3rd January 2012;
- B) Information submitted to SEBI vide letter dated 17th February 2012 pursuant to an email received dated 13th February 2012 for information sought from SEBI;
- C) Information submitted to SEBI vide letter dated 2nd April 2012;
- D) Information submitted to SEBI vide letter dated 3rd April 2012 pursuant to meeting held with SEBI on 2nd March 2012;

- E) Information submitted to SEBI vide letter dated 7th May 2012 pursuant to information sought by SEBI vide their letter dated 2nd May 2012;
- F) SAT Appeal proceedings and SAT Order dated 7th September, 2012;
- G) SEBI's letter dated 20th September, 2012 addressed to the Manager;
- H) Manager's reply dated 27th September, 2012 to the aforesaid letter from SEBI dated 20th September, 2012;
- I) SEBI's reply dated 10th October, 2012 to the aforesaid letter from the Manager dated 27th September, 2012;
- J) Acquirer's submissions dated 11th October, 2012 through Manager's letter dated 11th October, 2012
- K) Acquirer's submissions dated 30th October, 2012 through Manager's letter dated 31st October 2012
- L) SEBI's letter dated 3rd December, 2012 to the Manager;
- M) SEBI's letter dated 20th December, 2012 granting extension for the commencement of the Tendering Period; and
- N) All the Undertakings submitted by the Acquirer and correspondence with SEBI pursuant to the proposed Open Offer

10. DECLARATION BY THE ACQUIRER

The Acquirer accepts the full responsibility for the information contained in PA, DPS, 1st Supplemental PA, 2nd Supplemental PA and this Letter of Offer and also for the obligations of the Acquirer as laid down in terms of the Regulations and subsequent amendments made thereof and the Acquirer would be responsible for ensuring compliance with the SEBI (SAST) Regulations.

Sd/-
Mr. Bhavook Tripathi
(Acquirer)
December 22, 2012

Encl.: Form of Acceptance cum Acknowledgement

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

FORM OF ACCEPTANCE -- CUM – ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

[Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Link Intime India Pvt. Ltd. at any of the collection centres as mentioned in the Letter of Offer ("LOF")]

(All terms and expression used herein shall have the same meaning as described thereto in LOF and please read the instructions mentioned below before filling in this Form of Acceptance.)

From: Folio No./DP ID No./Client ID No.: _____

Name: _____

Address: _____

OPEN OFFER TO THE SHAREHOLDERS OF R SYSTEMS INTERNATIONAL LIMITED	
Opens on:	FRIDAY, 4th JANUARY, 2013
Closes on:	THURSDAY, 17th JANUARY, 2013

Tel No: _____ Fax No.: _____ E-mail: _____

To,
Mr. Bhavook Tripathi
C/o Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400078

FOR OFFICE USE ONLY	
Acceptance Number	_____
No of Equity Shares Offered	_____
No of Equity Shares Accepted	_____
Purchase consideration	_____
Cheque/Demand Draft/Pay Order No.	_____

Dear Sir/Madam,

REG.: OPEN OFFER TO THE SHAREHOLDERS OF M/S R SYSTEMS INTERNATIONAL LIMITED (RSIL) BY MR. BHAVOOK TRIPATHI (ACQUIRER) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO ("SEBI (SAST) REGULATIONS").

I/We refer to the LOF dated December 22, 2012 for acquiring the equity shares held by me/us in **M/s R Systems International Limited**.

I/We, the undersigned have read the LOF and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

I / We, unconditionally Offer to sell to the Acquirer the following Equity Shares in RSIL held by me/ us at a price of ₹ 150.75 (Rupees One Hundred Fifty and Paise Seventy Five Only) per fully paid-up equity share.

----- Tear along this line -----

Acknowledgment Slip R Systems International Limited – Open Offer
(to be filled in by the shareholders)

Sr. No. _____

Received from Mr./Ms./M/s _____

Form of Acceptance cum Acknowledgement for R Systems International Limited – Open Offer as per details below: -

Physical Shares: Folio No. _____ No. of Certificates Enclosed _____

Certificate No. _____ Total No. of Shares Enclosed _____

Demat Shares: Client ID _____ DP ID: _____

Copy of Delivery Instruction to DP _____

Total No. of Shares Enclosed _____ (Delete whichever is not applicable) Date of Receipt : _____

Stamp of collection centre:

Signature of Official:

SHARES HELD IN PHYSICAL FORM

I/We accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
			Total Number of Equity Shares		

(In case of insufficient space, please use additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

I/We, holding shares in demat form, accept the Offer and enclose a photocopy of the delivery instructions by my/our DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Depository	Name of Beneficiary	No. of Shares

I/We have done an off-market transaction for crediting the Shares to the depository account with "LIPL RSIL Open Offer Escrow Demat Account Operated by Link Intime India Pvt. Ltd." whose particulars are:

DP Name:	DP ID:	Client ID:	Depository:
Ventura Securities Limited	IN303116	10904238	National Securities Depository Ltd

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Shares in favor of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

<input type="checkbox"/> Power of Attorney	<input type="checkbox"/> Corporate authorization in case of companies along with Board Resolution and specimen signatures of authorized signatories
<input type="checkbox"/> Death Certificate / Succession Certificate	<input type="checkbox"/> Others (Please specify) _____
<input type="checkbox"/> No objection Certificate & Tax Clearance Certificate under Income-Tax Act, 1961, for NRIs /OCBs /Foreign Shareholders as applicable	

----- Tear along this line -----

- I/We confirm that the equity shares of R Systems International Limited which are being tendered herewith by me/us under this offer are free from liens, charges and encumbrances of any kind whatsoever.
- I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the LOF.
- I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.
- I/We irrevocably authorize the Acquirer to send by registered post/ speed post/ UCP the draft/ cheque/DC / NEFT / RTGS / NECS, in settlement of the amount to the sole/first holder at the address mentioned above.
- I/We note and understand that the shares would lie in the Special Depository Account until the Acquirer make payment of the purchase consideration as mentioned in the Letter of Offer.
- I/We authorize the Acquirer to accept the Shares so offered or such lesser number of equity shares which it may decide to accept in consultation with the Manager to the Offer and in terms of the LOF and I/We further authorize the Acquirer to return to me/us, equity share certificate(s) which is not found valid.
- My/Our execution of this Form of Acceptance shall constitute my/our warranty that the equity shares comprised in this application are owned by me/us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/We will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I/We agree that the Acquirer may pay the Offer Price only after due verification of the documents and signatures and on obtaining the necessary approvals as mentioned in the said LOF.
- I/We undertake to execute such further documents and give further assurance as may be required or expedient to give effect to my/our agreeing to sell the said equity shares.

So as to avoid fraudulent encashment in transit, Shareholder(s) should provide details of bank account of the first/sole shareholder and the cheque or demand draft will be drawn accordingly.

Name of Bank	Branch	City	Type of Account	Account Number

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act 1961 is as under: -

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN/GIR No.			

Yours faithfully,

Signed and delivered

	FULL NAME (S) OF THE HOLDER	SIGNATURE (S)
First / Sole Holder		
1 st Shareholder		
2 nd Shareholder		
3 rd Shareholder		

Note: In case of joint holdings, all shareholders must sign. In case of body corporate, the company seal should be affixed and necessary Board Resolutions should be attached.

Place: _____

Date _____

I/We irrevocably authorize the Acquirer or the Manager to the Offer to send by registered post the draft / cheque, in settlement of purchase at my own risk and any excess share certificate, if any, to the Sole/first holder at the address mentioned below:

NAME AND COMPLETE ADDRESS OF THE SOLE/FIRST HOLDER (IN CASE OF MEMBER (S), ADDRESS AS REGISTERED WITH THE COMPANY.

Name: _____

Address: _____

Place: _____

Date: _____

Tele No: _____

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following address quoting your reference Folio No./DP ID/ Client ID:

Link Intime India Private Limited

Unit – R Systems International Ltd – Open Offer

Address: C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai 400078

Telephone: 022-25967878, Fax: 022-25960329

Email: rsil.offer@linkintime.co.in

Contact Person: Mr. Pravin Kasare

INSTRUCTIONS

1. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the Date of Closure of the Offer i.e. 17th January, 2013 (Thursday). The Form of Acceptance-cum-Acknowledgment of such demat shares not credited in favour of the Special Depository Account, before the Date of Closure of the offer will be rejected.

2. **Share holders should enclose the following:**

I. For shares held in demat form:-

Beneficial owners should enclose

- i) **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- ii) Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP as per the instruction in the Letter of offer.

II. For Shares held in physical form:-

Registered Shareholders should enclose

- i) Form of Acceptance-cum-Acknowledgment duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.
- ii) **Original share certificate(s).**
- iii) **Valid transfer deed(s)** duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with R Systems International Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

Unregistered owners should enclose

- i) Form of Acceptance-cum-Acknowledgment duly completed and signed in accordance with the instructions contained therein.
- ii) Original Share certificate(s).
- iii) Valid Share transfer deed(s) as received from the market leaving details of buyer blank. If the same is filled in then the share(s) are liable to be rejected.

3. **The Share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgment should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirer or R Systems International Limited.**
4. **The Form of Acceptance-cum-Acknowledgment and other related documents should be submitted at any of the collection centre of Link Intime India Pvt. Ltd. as stated in the LOF.**
5. Shareholders having their beneficiary account in CDSL have to use “**INTER DEPOSITORY DELIVERY INSTRUCTION SLIP**” for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL.
6. **It is mandatory for Shareholders to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgment and the consideration would be made to the bank account of the sole/first shareholder. The payment would be made at par to all the shareholders.**
7. Rejection of Shares

If the shares are rejected for any of the following reasons, the shares will be returned to the holder(s) along with all the documents received from them at the time of submission. **Please note that the following list is not exhaustive.**

- a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of R Systems International Limited,
 - b. The Transfer deed is not complete or that the signatures do not match with the specimen recorded with R Systems International Limited,
 - c. The number of Shares mentioned in the Form of Acceptance-cum-Acknowledgment does not tally with the actual physical share certificate(s) submitted or in case of dematerialized shares; the shares in the Form of acceptance-cum-Acknowledgment do not tally with the instruction to the Depository Participant.
8. All documents/ remittances sent by or to shareholders will be at their own risk. Shareholders of R Systems International Limited are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective Depository Participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgment.
 9. Neither the Acquirer, the Manager to the Offer, the Registrar to the Offer or R Systems International Limited will be liable for any delay/loss in transit resulting in delayed receipt/non-receipt by the Registrar of your Form of Acceptance-cum-Acknowledgment or for the failure to deposit your shares to the Special Depository Account or submission of original physical share certificate(s) due to inaccurate /incomplete particulars/instructions on your part, or for any other reason.
 10. Applicants who cannot hand deliver their documents at the collection centre, may send their documents only by Registered post, at their own risk, to the Registrar to the Offer at Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078, Telephone: 022-25967878, Fax: 022-25960329 Email: rsil.offer@linkintime.co.in so as to reach the Registrars to the offer on or before the last date of acceptance i.e. 17th January, 2013 (Thursday).
 11. Please read the enclosed LOF before filling up the form of Acceptance.
 12. The Form of Acceptance should be filled up in English only.
 13. Signature(s) other than in English, Hindi and thumb impression must be attested by notary public under his official seal.

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 8 TITLED PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS LETTER OF OFFER.

All queries in this regard to be addressed to the Registrar to the offer at the following address quoting your Reference Folio No./DP ID/Client ID:

Link Intime India Private Limited
Unit – R Systems International Ltd – Open Offer
Address: C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400078
Telephone: 022-25967878, Fax: 022-25960329
Email: rsil.offer@linkintime.co.in
Contact Person: Mr. Pravin Kasare

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

