

DRAFT LETTER OF OFFER (“DLOF”)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft 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 DLOF 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. 020.241.224991

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

(hereinafter referred to as “**the Company**” or “**the Target Company**” or “**RSIL**”)

Registered Office: B-104A, Greater Kailash – I, New Delhi – 110 048
(Tel: 011.325.96619, Fax: 0120.258.7123, Email: rsil@india.rsystems.com)

TO ACQUIRE

33,45,242 Equity Shares of Rs. 10/- each representing 26% of the issued, subscribed, paid up Equity Share Capital of the Company comprising of 1,28,66,021 fully paid equity shares (on fully diluted basis) (“**Equity Shares**”) at a price of Rs.122/- (Rupees One Hundred and Twenty Two Only) per fully paid-up Equity Share (“**Offer Price**”), in cash (“**Open Offer**”).

1. This offer is being made by the Acquirer pursuant to regulation 3(1) 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 [●] or withdrawal of the Open Offer in terms of the SEBI (SAST) Regulations, the same would be informed by way of the Issue 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. The same is pending with RBI for approval.
5. If there is competing offer, the public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirer/Target Company, no competitive bid has been announced as of the date of this DLOF.
6. A copy of Public Announcement, Detailed Public Statement, Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI’s web-site: www.sebi.gov.in and Manager to the Offer (www.kjmc.com)
7. 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



KJMC Global Market (I) Limited

Address: 168, 16th Floor, Atlanta,
Nariman Point, Mumbai 400021.

Telephone: 022-4094 5500 Fax: 022-22852892.

Email: rsil.offer@kjmc.com

Contact Person: Ms. Sangeeta Sanghvi/Mr. Hemant Soni

SEBI Regn. No.: INM000002509

OFFER OPENS ON: [●]

REGISTRAR TO THE OFFER



Link Intime India Private Limited

Address: C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai 400078

Telephone: 022-259-60320, Fax: 022-259-60329

Email: rsil.offer@linkintime.co.in

Contact Person: Mr. Pravin Kasare

SEBI Regn. No.: INR000004058

OFFER CLOSES ON: [●]

R Systems International Limited

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

Activity	Date	Day
Public Announcement sent to Stock exchanges.	15 th December, 2010	Thursday
Detailed Public Statement (DPS) published in the newspapers	22 nd December, 2011	Thursday
Last date for announcement of competing offers	12 th January, 2012	Thursday
Identified Date	31 st January, 2012	Tuesday
Dispatch Letter of Offer to Shareholders	7 th February, 2012	Tuesday
Last Date for upward for upward revision of Offer Price and/or Offer Size	8 th February, 2012	Wednesday
Last date by which Board of Target Company shall give its recommendation in the same newspapers as of DPS	10 th February, 2012	Friday
Issue Opening PA Date	10 th February, 2012	Friday
Date of commencement of Tendering Period (Offer opening Date)	14 th February, 2012	Tuesday
Date of expiry of Tendering Period (Offer closing Date)	29 th February, 2012	Wednesday
Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/return of unaccepted shares	15 th March, 2012	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 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 4:00PM on Wednesday, 29th February, 2012.

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 choosing, if any, for analyzing 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 Capital 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 Shareholders 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 DLOF. 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 off 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 to 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, 2011. 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 Draft Letter of Offer (DLOF) /Public Announcement (PA)/Detailed Public Statement (DPA)/advertisements and other 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. IN ASSOCIATION WITH THE ACQUIRERS

1. The Acquirer makes no assurance with respect and the market price 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 its investment/disinvestment decisions relating to its 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 DLOF that pertains to the Target Company and has been compiled from public available resources.

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R Systems International Limited

1. Definitions/Abbreviations

Sr. No.	Abbreviations	Definitions
1	Acquirer	Mr. Bhavook Tripathi
2	Target Company	R Systems International Limited
3	BSE	Bombay Stock Exchange 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 (not defined)
10	EPS	Earning Per Share
11	Equity Share(s)	Fully paid up Equity Share(s) of Rs.10/- each of R Systems International Limited.
12	Shareholder(s)	All owners (registered or un registered) of Equity Shares of the Target Company
13	FEMA	Foreign Exchange Management Act, 1999
14	Form of Acceptance	Form of Acceptance cum Acknowledgement accompanying this Letter of Offer
15	Letter of Offer/LOF	Offer Document
16	Manager to the Offer	KJMC Global Market (I) 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 33,45,242 Equity Shares of Rs. 10/- each representing 26% of Issued, Subscribed, Paid Up and Voting Capital comprising of 1,28,66,021 fully paid up Equity Shares (on fully diluted basis) of the Target Company.
21	Date of Commencement of Tendering Period (Offer Opening Date)	[●]
22	Date of Expiry of Tendering Period (Offer Closing Date)	[●]
23	Offer Price	Rs.122/- per Equity Share
24	PA / Public Announcement	Announcement of the Offer made by the Acquirer on 15 th December, 2011.
25	DPS	Detailed Public Statement made by the Acquirer on 22 nd December, 2011.
26	PACs	Persons Acting in Concert
27	RBI	Reserve Bank of India
28	Registrar to the Offer/ Registrar	Link Intime India Private Limited
29	SEBI	Securities and Exchange Board of India
30	SEBI (SAST) Regulations, 2011 or SEBI (SAST) Regulations or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
31	Tendering/Offer Period	Period from [●] to [●]
32	Identified Date	31 st January, 2012
33	FY	Financial Year
34	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 DRAFT 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 (I) LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 29, 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) of SEBI (SAST) Regulations. No other person / individual / entity is acting in concert with the Acquirer for the purposes of this Open Offer in terms of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
- 3.1.2. The prime objective of the Acquirers 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.
- 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 and in compliance with the SEBI (SAST) Regulations.
- 3.1.4. The Acquirer hereby makes this Open Offer to the Shareholder(s) of the Target Company to acquire up to 33,45,242 fully paid up Equity Shares of the Target Company of Rs.10/- each, representing in aggregate 26% of the paid up Equity Share Capital and voting capital, at a price of Rs. 122/- (Rupees One Hundred and Twenty Two only) per share payable in cash subject to the terms and conditions mentioned in the Detailed Public Statement dated 22nd December, 2011 and in this Draft 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 has after the Open Offer acquired 9,19,640 Shares of the Target Company on 15th December, 2011 (being 7.15 percent of the total paid up Equity Share and Voting capital on fully diluted basis), through open market purchases and in pursuance thereof the Acquirer holds 39,84,640 Equity Shares constituting 31% of the total Equity Share and voting capital of the Target Company (on fully diluted basis).
- 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 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.
- 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 Global Market (I) 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. The Board of the Target Company will publish a recommendation on the Open Offer atleast 2 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.
- 3.1.10. Pursuant to this Open Offer, 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 and the Listing Agreement and reduce the non-public shareholding within the time period mentioned therein. However, in view of the fact that the Acquirer is not a promoter of the Target Company in the present case, the provisions in relation to the minimum public shareholding would not be breached.

3.2. Details of the Proposed Offer

3.2.1 The Acquirer has made a Detailed Public Statement pursuant on 22nd December, 2011 to Public Announcement on 15th December, 2011 in the following newspapers in accordance with the Regulation 14 (3) and pursuant to Regulation 3 of SEBI (SAST) Regulations. Copies of the Public Announcement and the Detailed Public Statement are available on the SEBI website at www.sebi.gov.in and Manager to the Offer www.kjmc.com

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

3.2.2. The Acquirer proposes to acquire from the existing Shareholder(s) of the Target Company, 33,45,242 (Thirty Three Lac Forty Five Thousand Two Hundred and Forty Two) fully paid-up Equity Shares of Rs. 10/- each, representing 26% of the fully paid-up Equity Share and voting capital at a price of Rs.122/- per share payable in cash. These Equity Shares are to be acquired free from all liens, charges, encumbrances and together with all the rights attached thereto, including the right to receive dividends, bonus and rights declared hereafter.

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 33,45,242 fully paid-up equity shares of Rs. 10/- each, representing 26% of the fully diluted Equity Share capital of the Target Company.

3.2.6. This is not a competing Offer.

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 not acquired any Equity Shares of the Target Company after the date of the Public Announcement upto the date of this DLOF.

3.3. Objects Of Acquisition/Offer

3.3.1. The prime objective of the Acquirer behind the acquisition of the Equity Shares of the Target Company is the investment value and NOT substantial holding of shares /voting rights / control or management of the Target Company.

3.3.2. 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.

3.3.3. 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;

3.3.4. 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.

3.3.5. The Acquirer does not intend to participate in the business of the Target Company and it 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.

R Systems International Limited

- 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 presently holds 31% of paid up Equity Shares/voting rights in the Target Company on a fully diluted basis and has fulfilled its obligations under Chapter II of the SEBI Takeover Regulation, 1997 and Chapter V of the SEBI (SAST) Regulations, 2011. The father of the Acquirer, Mr. Chandraprakash Tripathi also holds 2,400 Equity Shares of the Target Company aggregating to 0.018% of the paid up share capital of the Target Company on a fully diluted basis.
- 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 have certified the net worth of the Acquirer to be Rs. 2,48,08,66,000 (Rupees Two and Hundred and Forty Eight Crores Eight Lakhs and Sixty Six Thousand only) as on 30th November, 2011.
- 4.7. The Acquirer has made appropriate disclosures under Chapter V of the SEBI (SAST) Regulations and Chapter II of the SEBI Takeover Regulations, 1997.
- 4.8. There are no litigations pending against the Acquirer.
- 4.9. The Acquirer has not been prohibited by SEBI from dealing in securities under the provisions of Section 11 (B) of the SEBI Act, 1992.
- 4.10. There are no persons on the Board of the Target Company, representing the Acquirer.

5. BACKGROUND OF THE TARGET COMPANY

5.1. Equity Structure of the Target Company

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 ESOPs)	1,28,66,021	100%
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	1,28,66,021	100%
Total Voting Rights in Target Company	1,28,66,021	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 March, 2006 and the Equity Shares of the Target Company are listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) since 26th April, 2006. The Target Company made Public Issue of Equity Shares and got its Equity Shares listed at the Bombay Stock Exchange Ltd and National Stock exchange Ltd. 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 Rs. 20,00,00,000 (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 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 ESOPs granted to the employees of the Target Company, in the books of the Target Company as on the date of this DLOF. There are no partly paid up Equity Shares in the books of the Target Company as on the date of this DLOF.
- 5.5. There are 5,49,135 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 5,49,135 Equity Shares of the Company of Rs. 10 each. Other than as stated above, the Target Company does not have any outstanding convertible instruments (warrants /FCDs/PCDs) etc. or options or similar instruments, convertible into Equity Shares at a later stage. These 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.

R Systems International Limited

5.7. Present composition of the Board of Directors:

Name of the Director	Designation	DIN	Date of Appointment
Mr. Satinder Singh Rekhi	Chairman & Managing Director	00006955	14 th May, 1993
Lt. Gen Baldev Singh (Retd.)	President & Senior Executive Director	00006966	1 st September, 1997
Mr. Raj Swaminathan	Director & Chief Operating Officer	00788158	29 th September, 2006
Mr. Raj Kumar Gogia	Non-executive Independent Director	00007364	9 th July, 2002
Mr. Suresh Paruthi	Non-executive Independent Director	00777887	29 th September, 2006
Mr. Gurbax Singh Bhasin	Non-executive Independent Director	00012628	27 th December, 2005

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

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 99.55%.

- 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/FIs.
- 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.

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5.13. The brief audited financial statements for the past three years are as under:

Consolidated Profit & Loss Statement:

(Rs. In Lac)

For the Year/period ended	31st December, 2008	31st December, 2009	31st December, 2010	9 Months ended 30th September, 2011
	12 Months	12 Months	12 Months	(Limited
	(Audited)	(Audited)	(Audited)	Review)
Income from Operations	35,939.23	32,752.52	29,054.66	29,681.60
Other Income	549.43	804.23	691.28	398.31
Increase/(Decrease) in Stock				
Total Income	36,488.66	33,556.75	29,745.94	30,079.91
Total Expenditure	32,206.99	28,966.06	26,870.62	27,641.95
Profit/(Loss) before Depreciation	4,281.67	4,590.69	2,875.32	2,437.96
Interest	123.01	102.64	71.37	5.17
Depreciation & Goodwill impairment	1,156.90	3,435.32	1,330.86	981.23
Other expenditure				
Profit/(Loss) before Tax & prior period Adjustment	3,001.76	1,052.73	1,473.09	1,451.56
Provision for Tax	205.12	280.69	-221.84	344.19
Profit/(Loss) after Tax & prior period Adjustment	2,796.64	772.04	1,694.93	1,107.37
Prior Period Adjustment	0.00	0.00	17.29	0.00
Net Profit	2,796.64	772.04	1,677.64	1,107.37
Bal. Brought Forward from earlier years	3,195	5,384	5,753	
Bal. Transferred to Balance Sheet	5,384	5,753	6,919	

Consolidated Balance Sheet

(Rs. In Lac)

For the Year/period ended	31st December, 2008	31st December, 2009	31st December, 2010	9 Months ended 30th September, 2011
	Sources of Funds			
Paid up Share Capital	1,336.25	1,224.30	1,224.30	1224.30
Reserves & Surplus (excluding revaluation reserves)	15,829.01	15,515.00	16,801.04	
Net worth	17,165.26	16,739.30	18,025.34	
Unsecured Loan				
Secured Loans	325.65	145.20	83.49	
Deferred Tax Liability (Net)	168.77	210.63	-220.33	
TOTAL	17,659.68	17,095.13	17,888.50	
Application of funds:				
Net Fixed Assets	7,465.93	5,302.71	4,443.39	
Investments	0.25	0.25	0.25	
Net Current Assets	10,193.50	11,792.17	13,444.86	
Profit & loss Account				
Total Miscellaneous Expenditure not written off				
TOTAL	17,659.68	17,095.13	17,888.50	
Other Financial Data				
For year ended	31 st March, 2009	31st March, 2010	31st March, 2011	
Dividend %	24%	24%	24%	
Earning Per Share (Rs.) Diluted	20.36	6.02	13.46	8.89
Return on Net worth (%)	0.16	0.05	0.09	
Book Value per share (Rs.)	128.46	136.73	147.23	

Notes:

- EPS / Earning Per Share = Profit after tax / number of outstanding equity shares at the close of the year/period
- Return on Net Worth = Profit after Tax /Net Worth
- Book Value per Share = Net Worth / No. of equity shares

Source: Audited Annual Reports / Certified by Statutory Auditors.

5.14. Pre and Post-Offer share holding pattern of the Target Company as on the date of this DLOF:

The Shareholding percentages in the below mentioned table have been taken on the basis on fully diluted Paid-up Equity Shares (including ESOPs) i.e. 1,28,66,021 Equity Shares of Rs. 10/- each as on 22nd December, 2011.

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 to be Acquired in the Open Offer (Assuming full acceptance)		Share holding/ Voting Rights after the Acquisition and the Offer	
	(A)		(B)		(C)		(A) + (B) + (C) = D	
	No.	%	No.	%	No.	%	No.	%
(1) Promoters and Promoter Group	57,59,392	44.76	NA	NA	[●]*	[●]*	[●]*	[●]*
a. Parties to agreement, if any	NA	NA	NA	NA	NA	NA	NA	NA
b. Promoters other than (a) above	57,59,392	44.76	NA	NA	[●]*	[●]*	[●]*	[●]*
Total 1(a+b)	57,59,392	44.76	NA	NA	[●]*	[●]*	[●]*	[●]*
(2) a. Acquirer as on the date of this DLOF	30,65,000	23.82	9,19,640	7.15	33,45,242	26	[●]*	[●]*
b. PACs	NA	NA	NA	NA	NA	NA	NA	NA
Total 2(a+b)	30,65,000	23.82	9,19,640	7.15	33,45,242	26	[●]*	[●]*
(3) Parties to agreement other than (1) (a) & (2)	NA	NA	NA	NA	NA	NA	NA	NA
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs/MFs/FIIs/Banks, SFIs	NA	NA	NA	NA	NA	NA	NA	NA
b. Others	34,92,494	27.15	NA	NA	[●]*	[●]*	[●]*	[●]*
Total number of shareholder(s) in "Public category"	65,57,494	50.97	NA	NA	[●]*	[●]*	[●]*	[●]*
Total (4) (a+b)	34,92,494	27.15	NA	NA	[●]*	[●]*	[●]*	[●]*
GRAND TOTAL (1+2+3+4)	1,28,66,021	100	9,19,640	7.15	33,45,242	26	1,28,66,021	100

*The figures will depend on response from each category

5.14.1. As per the Annual Report for the financial year 2009 - 2010, 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 Exchange as on 12th October, 2011. The details are as follows:

Name of the Company: R Systems International Limited.

Quarter ending on: 30th September, 2011

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 "T" 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 shares within the meaning of Section 2(1)(j) of the SEBI (SAST) Regulations.

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

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA	Total No. of Listed Equity Shares	Annualised Trading Turnover (As % of Total Equity Shares Listed)
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 Rs. 122/- (Rupees One Hundred and Twenty Two only) is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011 being the highest of the following:

Sr. No.	Particulars	Price
(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

- 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 per regulation 8 (2) of the SEBI (SAST) Regulations, 2011 is as follows:

Date of Acquisition	Price (Rs)	No. of Shares	Value (Rs.)
16/12/2010	135.68	23759	3,223,563.90
16/12/2010	133.81	13422	1,795,934.95
21/12/2010	135.93	3691	501,715.92
21/12/2010	135.73	1726	234,275.34
23/12/2010	134.53	2983	401,299.59
23/12/2010	135.16	300	40547
23/12/2010	135.00	2822	380,973.97
24/12/2010	135.60	5889	798,526.63
24/12/2010	135.32	1184	160,223.59
29/12/2010	138.66	27	3,743.75
29/12/2010	138.45	850	117682.81
30/12/2010	138.65	780	108,146.72
30/12/2010	138.68	280	38,830.61
31/12/2010	139.30	3176	442,413.06
31/12/2010	139.39	965	134,509.83
05/01/2011	139.96	141	19,734.03
05/01/2011	139.96	200	27,991.62
06/01/2011	139.41	25	3,485.19
06/01/2011	139.36	200	27,871.62
07/01/2011	138.78	180	24,980.42
07/01/2011	139.26	1763	245,513.86
10/01/2011	137.50	4904	674,321.32
10/01/2011	138.47	5691	788,008.02
11/01/2011	137.87	1856	255,889.47
11/01/2011	138.14	769	106,226.59
11/01/2011	139.53	3407	475393.33
12/01/2011	139.11	4558	634,074.91
12/01/2011	138.47	1143	158,271.06
13/01/2011	139.10	1675	232,998.66

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Date of Acquisition	Price (Rs)	No. of Shares	Value (Rs.)
13/01/2011	138.80	1214	168,500.91
14/01/2011	138.77	3048	422,985.17
14/01/2011	139.72	2086	291,457.82
17/01/2011	139.06	1260	175,220.11
17/01/2011	138.81	2255	313,021.14
18/01/2011	138.78	2480	344,174.61
18/01/2011	138.53	1204	166,792.93
19/01/2011	139.33	753	104,915.60
19/01/2011	140.00	5156	721,839.60
20/01/2011	139.10	3720	517,444.25
20/01/2011	139.58	6771	945,118.43
21/01/2011	136.08	9687	1,318,191.32
21/01/2011	135.80	1594	216,464.12
24/01/2011	136.68	1251	170,988.98
24/01/2011	136.43	3900	532,070.87
25/01/2011	137.10	228	31,259.67
25/01/2011	137.19	474	65,028.94
27/01/2011	142.51	3768	536,970.85
27/01/2011	142.75	4471	638,226.91
28/01/2011	140.02	3900	546,081.37
28/01/2011	139.21	51752	7,204,477.51
31/01/2011	138.93	4614	641,013.93
31/01/2011	138.52	1067	147,795.55
01/02/2011	139.79	2193	306,557.94
01/02/2011	139.68	1853	258,823.32
02/02/2011	138.59	354	49,061.08
02/02/2011	139.12	361	50,222.70
03/02/2011	139.17	200	27,834.74
04/02/2011	139.17	162	22,546.06
07/02/2011	139.17	189	26,303.73
08/02/2011	139.04	700	97,331.22
09/02/2011	136.90	7700	1,054,136.66
09/02/2011	137.18	6480	888,923.54
10/02/2011	133.97	4835	647,761.83
10/02/2011	136.43	3338	455,394.48
11/02/2011	139.05	2620	364,306.14
11/02/2011	138.38	1693	234,270.95
14/02/2011	138.32	100	13,832.31
14/02/2011	139.74	284	39,685.63
14/02/2011	140.75	55000	7741255.06
16/02/2011	138.36	171	23,659.00
16/02/2011	139.17	70	9,742.16
17/02/2011	138.34	51	7,055.33
18/02/2011	138.57	296	41,018.10
22/02/2011	136.36	117	15,954.19
22/02/2011	135.62	37	5,018.01
23/02/2011	137.10	250	34,275.61
23/02/2011	136.26	60	8,175.40
24/02/2011	135.18	681	92,058.28
24/02/2011	134.94	247	33,330.11

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Date of Acquisition	Price (Rs)	No. of Shares	Value (Rs.)
25/02/2011	132.58	520	68,941.88
25/02/2011	131.78	700	92,243.36
28/02/2011	129.66	182	23,598.84
28/02/2011	129.83	138	17,916.26
01/03/2011	130.81	1160	151,737.63
01/03/2011	128.21	75	9,615.83
03/03/2011	128.64	126	16,208.81
03/03/2011	128.49	99	12,720.80
04/03/2011	129.88	675	87,669.23
04/03/2011	128.41	107	13,739.34
07/03/2011	126.14	1842	232,346.30
07/03/2011	126.74	1103	139,790.45
08/03/2011	125.16	16445	2,058,214.27
08/03/2011	124.50	529	65,862.93
09/03/2011	126.31	691	87,281.63
09/03/2011	123.20	200	24,639.89
10/03/2011	125.81	4	503.24
10/03/2011	125.26	62	7,766.16
11/03/2011	126.46	700	88,520.86
11/03/2011	125.51	111	13,931.69
14/03/2011	124.60	900	112,142.34
14/03/2011	124.60	248	30,900.70
15/03/2011	125.68	2080	261,410.52
15/03/2011	125.14	205	25,653.39
16/03/2011	126.08	457	57,618.63
16/03/2011	126.10	1546	194,952.23
17/03/2011	125.98	259	32,628.81
17/03/2011	123.89	91	11,273.85
18/03/2011	124.27	225	27,960.90
18/03/2011	124.15	237	29,424.45
21/03/2011	123.86	1390	172,168.33
21/03/2011	123.50	230	28,404.30
22/03/2011	124.92	252	31,479.47
22/03/2011	125.08	471	58,913.52
24/03/2011	124.68	751	93,633.72
24/03/2011	124.28	1535	190,771.86
25/03/2011	124.20	409	50,798.23
25/03/2011	125.03	397	49,637.47
29/03/2011	122.15	100	12,214.89
29/03/2011	122.15	1452	177,360.78
30/03/2011	122.15	140	17,100.85
30/03/2011	122.15	80	9,771.94
31/03/2011	122.15	1370	167,343.99
01/04/2011	122.15	15	1,832.24
04/04/2011	123.80	54	6,685.15
04/04/2011	123.40	35	4,318.98
05/04/2011	125.14	11089	1,387,677.48
05/04/2011	125.17	582	72,847.92
06/04/2011	125.16	45419	5,684,639.46
06/04/2011	125.16	31256	3,912,010.92

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Date of Acquisition	Price (Rs)	No. of Shares	Value (Rs.)
07/04/2011	124.01	220	27,281.50
07/04/2011	124.01	995	123,387.16
11/04/2011	122.03	1029	125,565.65
13/04/2011	122.15	100	12,214.89
13/04/2011	122.15	85	10,382.69
15/04/2011	121.70	255	31,033.17
15/04/2011	122.07	629	76,784.74
25/04/2011	119.65	1400	167,512.70
25/04/2011	119.78	615	73,664.92
20/06/2011	104.00	195	20280
20/06/2011	104.00	55	5720
21/06/2011	104.00	3	312
21/06/2011	104.00	11	1144
22/06/2011	104.00	230	23920
23/06/2011	102.80	200	20560
23/06/2011	101.27	398	40303.9
01/07/2011	106.65	101	10771.4
01/07/2011	105.60	47	4963.2
04/07/2011	108.20	58	6275.6
04/07/2011	106.17	79	8387.3
05/07/2011	106.75	54	5764.5
06/07/2011	107.13	611	65454.75
06/07/2011	106.94	271	28981.45
06/07/2011	107.14	1007	107,885.75
07/07/2011	107.85	310	33435
07/07/2011	107.83	800	86260
08/07/2011	108.30	64	6931.2
11/07/2011	107.54	130	13980.5
11/07/2011	107.95	100	10795
12/07/2011	107.77	217	23386.65
12/07/2011	107.65	94	10118.89
13/07/2011	104.94	2118	222253.7
13/07/2011	105.37	677	71334.7
14/07/2011	106.34	698	74223.4
14/07/2011	106.36	711	75619.09
15/07/2011	104.39	15087	1574949.55
15/07/2011	103.78	1900	197,186.90
15/07/2011	103.72	855	88,682.29
15/07/2011	103.10	5500	567025
18/07/2011	102.67	150	15401.2
18/07/2011	102.90	100	10290
19/07/2011	102.93	150	15440
19/07/2011	102.77	100	10276.5
20/07/2011	102.11	392	40028
20/07/2011	101.98	480	48948
21/07/2011	102.69	200	20537.5
21/07/2011	102.68	116	11910.8
22/07/2011	105.00	1168	122640
22/07/2011	104.82	845	88569.12
25/07/2011	103.59	5660	586294.4

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Date of Acquisition	Price (Rs)	No. of Shares	Value (Rs.)
25/07/2011	103.95	5020	521846.7
26/07/2011	100.61	550	55333.7
26/07/2011	100.35	450	45156.5
27/07/2011	96.91	200	19382.5
27/07/2011	96.60	150	14490.1
28/07/2011	97.12	300	29135
28/07/2011	96.62	150	14493
29/07/2011	95.98	509	48854.05
29/07/2011	105.65	144445	15,260,180.93
29/07/2011	105.79	126050	13,335,099.71
18/08/2011	99.00	589	58311.95
18/08/2011	99.95	98	9795.1
19/08/2011	97.20	700	68040.8
19/08/2011	97.32	301	29293.3
22/08/2011	99.16	88	8725.8
23/08/2011	99.39	67	6658.85
24/08/2011	99.35	50	4967.5
25/08/2011	99.19	301	29856.15
25/08/2011	99.49	54	5372.2
26/08/2011	98.32	121	11896.6
26/08/2011	98.37	244	24001.1
24/10/2011	105.83	45895	4857272.05
24/10/2011	105.44	21214	2236709.34
25/10/2011	104.64	2829	296036.05
25/10/2011	104.33	216	22534.59
26/10/2011	113.35	7300	827418.55
26/10/2011	115.24	57901	6672501.54
28/10/2011	110.12	55493	6110728.05
28/10/2011	110.08	32599	3588578.9
31/10/2011	110.60	89758	9926946.75
31/10/2011	110.81	86761	9614419.47
01/11/2011	109.40	1074	117494.6
01/11/2011	110.00	57725	6349970
01/11/2011	109.40	338	36977.2
01/11/2011	110.27	58059	6402321.5
02/11/2011	109.85	3058	335921.3
02/11/2011	110.27	61000	6726696.44
02/11/2011	109.85	108	11863.8
02/11/2011	110.27	61000	6726696.44
03/11/2011	110.26	2898	319532.25
03/11/2011	110.29	864	95286.67
03/11/2011	110.27	229900	25351689.48
08/11/2011	110.30	81	8934.3
09/11/2011	110.30	81	8934.3
09/11/2011	110.30	75	8272.5
11/11/2011	110.29	2935	323706.25
11/11/2011	110.30	2053	226445.9
14/11/2011	112.87	9897	1117067.9
14/11/2011	113.79	2242	255115.89
15/11/2011	112.33	4342	487729.15

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Date of Acquisition	Price (Rs)	No. of Shares	Value (Rs.)
15/11/2011	112.26	914	102609.4
16/11/2011	112.85	1784	201318.35
16/11/2011	113.34	599	67891.9
17/11/2011	117.42	15871	1863604.15
17/11/2011	117.79	13869	1633600.32
18/11/2011	115.54	1508	174239.25
18/11/2011	115.53	5185	599022.43
21/11/2011	115.43	44165	5097896.95
21/11/2011	116.29	2862	332814.9
22/11/2011	115.13	3417	393391.9
22/11/2011	114.10	5	570.5
23/11/2011	113.25	8292	939098.55
23/11/2011	112.10	2550	285859.96
24/11/2011	113.13	3296	372882.7
24/11/2011	113.05	1290	145834.5
25/11/2011	113.90	679	77337.3
25/11/2011	115.60	1029	118955.22
28/11/2011	116.15	1	116.15
28/11/2011	116.15	36	4181.4
29/11/2011	121.95	205210	25025759.6
30/11/2011	120.30	5	601.5
30/11/2011	120.37	239	28767.55
01/12/2011	121.87	1000	121868.1
01/12/2011	121.88	500	60937.5
02/12/2011	118.53	470	55708.5
02/12/2011	119.93	906	108654.49
05/12/2011	117.55	55	6465.25
05/12/2011	117.00	50	5850
07/12/2011	118.37	400	47348.05
07/12/2011	118.68	219	25991.2
08/12/2011	119.90	5973	716171.35
08/12/2011	119.08	583	69421.1
09/12/2011	116.39	406	47254
09/12/2011	116.83	190	22197.49
Total		1,972,766	229,396,532
Volume Weighted Average Price			116.28

6.1.6 The Acquirer during the period of 26 weeks prior to Public Announcement has acquired 15,43,633 Equity Shares of the Target Company. The Highest price paid during the period of 26 weeks prior to the date of Public Announcement is Rs. 121.952/-. 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	Price (Rs.)	No. of Shares
20/06/2011	104.00	195
20/06/2011	104.00	55
21/06/2011	104.00	3
21/06/2011	104.00	11
22/06/2011	104.00	230
23/06/2011	102.80	200
23/06/2011	101.27	398
1/7/2011	106.65	101
1/7/2011	105.60	47

R Systems International Limited

Date of Acquisition	Price (Rs.)	No. of Shares
4/7/2011	108.20	58
4/7/2011	106.17	79
5/7/2011	106.75	54
6/7/2011	107.13	611
6/7/2011	106.94	271
6/7/2011	107.14	1007
7/7/2011	107.85	310
7/7/2011	107.83	800
8/7/2011	108.30	64
11/7/2011	107.54	130
11/7/2011	107.95	100
12/7/2011	107.77	217
12/7/2011	107.65	94
13/07/2011	104.94	2118
13/07/2011	105.37	677
14/07/2011	106.34	698
14/07/2011	106.36	711
15/07/2011	104.39	15087
15/07/2011	103.78	1900
15/07/2011	103.72	855
15/07/2011	103.10	5500
18/07/2011	102.67	150
18/07/2011	102.90	100
19/07/2011	102.93	150
19/07/2011	102.77	100
20/07/2011	102.11	392
20/07/2011	101.98	480
21/07/2011	102.69	200
21/07/2011	102.68	116
22/07/2011	105.00	1168
22/07/2011	104.82	845
25/07/2011	103.59	5660
25/07/2011	103.95	5020
26/07/2011	100.61	550
26/07/2011	100.35	450
27/07/2011	96.91	200
27/07/2011	96.60	150
28/07/2011	97.12	300
28/07/2011	96.62	150
29/07/2011	95.98	509
29/07/2011	105.65	144445
29/07/2011	105.79	126050
18/08/2011	99.00	589
18/08/2011	99.95	98
19/08/2011	97.20	700
19/08/2011	97.32	301
22/08/2011	99.16	88
23/08/2011	99.39	67
24/08/2011	99.35	50
25/08/2011	99.19	301

R Systems International Limited

Date of Acquisition	Price (Rs.)	No. of Shares
25/08/2011	99.49	54
26/08/2011	98.32	121
26/08/2011	98.37	244
24/10/2011	105.83	45895
24/10/2011	105.44	21214
25/10/2011	104.64	2829
25/10/2011	104.33	216
26/10/2011	113.35	7300
26/10/2011	115.24	57901
28/10/2011	110.12	55493
28/10/2011	110.08	32599
31/10/2011	110.60	89758
31/10/2011	110.81	86761
1/11/2011	109.40	1074
1/11/2011	110.00	57725
1/11/2011	109.40	338
1/11/2011	110.27	58059
2/11/2011	109.85	3058
2/11/2011	110.27	61000
2/11/2011	109.85	108
2/11/2011	110.27	61000
3/11/2011	110.26	2898
3/11/2011	110.29	864
3/11/2011	110.27	229900
8/11/2011	110.30	81
9/11/2011	110.30	81
9/11/2011	110.30	75
11/11/2011	110.29	2935
11/11/2011	110.30	2053
14/11/2011	112.87	9897
14/11/2011	113.79	2242
15/11/2011	112.33	4342
15/11/2011	112.26	914
16/11/2011	112.85	1784
16/11/2011	113.34	599
17/11/2011	117.42	15871
17/11/2011	117.79	13869
18/11/2011	115.54	1508
18/11/2011	115.53	5185
21/11/2011	115.43	44165
21/11/2011	116.29	2862
22/11/2011	115.13	3417
22/11/2011	114.10	5
23/11/2011	113.25	8292
23/11/2011	112.10	2550
24/11/2011	113.13	3296
24/11/2011	113.05	1290
25/11/2011	113.90	679
25/11/2011	115.60	1029
28/11/2011	116.15	1

Date of Acquisition	Price (Rs.)	No. of Shares
28/11/2011	116.15	36
29/11/2011	121.95	205210
30/11/2011	120.30	5
30/11/2011	120.37	239
1/12/2011	121.87	1000
1/12/2011	121.88	500
2/12/2011	118.53	470
2/12/2011	119.93	906
5/12/2011	117.55	55
5/12/2011	117.00	50
7/12/2011	118.37	400
7/12/2011	118.68	219
8/12/2011	119.90	5973
8/12/2011	119.08	583
9/12/2011	116.39	406
9/12/2011	116.83	190

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	WAP	Total Traded Quantity	Turnover in Rs.
14-Dec-11	118.18	110	13000
13-Dec-11	107.69	65	7000
12-Dec-11	112.10	1454	163000
9-Dec-11	116.59	1561	182000
8-Dec-11	119.97	6585	790000
7-Dec-11	119.93	1651	198000
5-Dec-11	119.32	176	21000
2-Dec-11	119.44	720	86000
1-Dec-11	122.40	2933	359000
30-Nov-11	124.02	7644	948000
29-Nov-11	124.07	265962	32997000
28-Nov-11	118.46	1224	145000
25-Nov-11	113.66	1047	119000
24-Nov-11	112.83	4449	502000
23-Nov-11	112.96	9260	1046000
22-Nov-11	115.29	3617	417000
21-Nov-11	115.37	51009	5885000
18-Nov-11	115.72	2748	318000
17-Nov-11	117.26	21635	2537000
16-Nov-11	112.86	2791	315000
15-Nov-11	112.23	6255	702000
14-Nov-11	112.70	12360	1393000
11-Nov-11	110.52	4117	455000
9-Nov-11	111.52	538	60000
8-Nov-11	112.81	1569	177000
4-Nov-11	113.68	4548	517000
3-Nov-11	110.78	7447	825000
2-Nov-11	110.07	68631	7554000
1-Nov-11	110.10	71279	7848000
31-Oct-11	110.65	114755	12698000

Date	WAP	Total Traded Quantity	Turnover in Rs.
28-Oct-11	110.30	72549	8002000
26-Oct-11	115.71	28105	3252000
25-Oct-11	104.66	4376	458000
24-Oct-11	106.45	82538	8786000
21-Oct-11	97.80	1769	173000
20-Oct-11	99.40	1328	132000
19-Oct-11	98.83	1285	127000
18-Oct-11	98.95	1809	179000
17-Oct-11	99.67	301	30000
14-Oct-11	98.36	61	6000
13-Oct-11	100.56	1780	179000
12-Oct-11	101.64	856	87000
11-Oct-11	99.77	1283	128000
10-Oct-11	99.01	303	30000
7-Oct-11	101.27	316	32000
5-Oct-11	99.51	1216	121000
4-Oct-11	99.73	371	37000
3-Oct-11	99.38	2566	255000
30-Sep-11	97.56	123	12000
29-Sep-11	95.24	105	10000
28-Sep-11	101.03	485	49000
27-Sep-11	100.00	770	77000
26-Sep-11	100.33	2412	242000
23-Sep-11	104.24	2408	251000
22-Sep-11	106.98	215	23000
21-Sep-11	107.66	418	45000
20-Sep-11	108.70	230	25000
19-Sep-11	104.65	344	36000
16-Sep-11	106.49	1033	110000
15-Sep-11	103.93	356	37000
Total		889851	102208000
Volume Weighted	Average Market Price		114.8

- 6.1.8 As on date there is no revision in the Open Offer size or Offer Price. In case of any revision in the Open Offer size or Offer Price, the Acquirer shall comply with SEBI (SAST) Regulations, which are required to be complied with, for the said revision in the Open Offer size or Offer Price.
- 6.1.9 If there is any revision in the Offer Price on account of future purchases/competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the Tendering Period i.e., [●] and would be notified to Shareholders.
- 6.2. **Financial arrangements**
- 6.2.1. Assuming full acceptance of the Open Offer, the total fund requirement for acquisition of 33,45,242 Equity Shares from the Shareholders of the Target Company at an Offer Price of Rs. 122/- per Equity Share would be Rs. 40,81,19,524 (Rupees Forty Crore Eighty One Lacs Nineteen Thousand Five Hundred and Twenty Four only). The Acquirer has adequate resources to meet the financial requirement of the Open Offer.
- 6.2.2. The Acquirer has opened 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 Rs. 10,20,30,000/- (Rupees Ten Crore Twenty Lac Thirty Thousand Only) in cash, being 25% of the total purchase consideration payable under the Open Offer assuming full acceptance at the Offer Price in accordance with Regulation 17 of the SEBI (SAST) Regulations. 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 for finance the acquisition of the 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 10th December, 2011 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 for funds and money 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 Draft Letter of Offer alongwith 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 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. Tuesday, 31st January, 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. [●].
- 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 [●], 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 Draft Letter of Offer, the Form of Acceptance, the Detailed Public Statement, Public Announcement 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 hereinbelow of this Draft 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 [●] and closes on [●].
- 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 cum Acknowledgment 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 (hereinafter referred to as “**RBI**”), 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, conditionalities (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 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, will be determined in accordance with the SEBI (SAST) Regulations. However, pursuant to the Open Offer, the shares may have to be acquired from persons resident outside India who have acquired shares other than as “foreign direct investment”. Accordingly, the Acquirer has 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.

- 7.14. This Open Offer is subject to receipt of the requisite RBI approval, if any, 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 draft LOF, no approval from any bank or financial institution is required.
- 7.16. As on the date of the Public Announcement, to the best of the knowledge of the Acquirer other than the statutory approval 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, 2011. 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/courier) along with all relevant documents in the form and manner specified in this DLOF/Form of Acceptance cum Acknowledgement at below mentioned collection centres on or before closure of the Open Offer i.e. [●]. The documents shall be tendered at below mentioned collection centre. The centres 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: 022-25960320 Fax:022-25960329 Contact Person : Mr. Pravin Kasare	Monday to Friday between 10.00 a.m. to 4:30 p.m Saturday from 10.00 a.m. to 1.00 p.m	Hand Delivery & Registered Post
Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai 400 001 email : rsil.offer@linkintime.co.in Ph : 022-22694127 Fax: 022-25960329 Contact Person : Mr. Vivek Limaye	Monday to Friday between 10.00 a.m. to 4:30 p.m Saturday from 10.00 a.m. to 1.00 p.m	Hand Delivery

- 8.3. Shareholder(s) are advised to ensure that the Form of Acceptance cum Acknowledgement 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 centres mentioned hereinabove.

- 8.4. If the aggregate of the valid responses to the Offer exceeds 33,45,242 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 Shares.
- 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.
- 8.6. Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Shareholder(s)'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 centres mentioned in paragraph 8.2 of this DLOF. No document should be sent to the Acquirer, the Manager or the Target

8.8.1. **Registered Shareholders of the Target 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(s) and in the same order and as per the specimen signature lodged with the Target Company;
- ii) Original Equity Share certificate(s);
- 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 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 from the market. 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;

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 centers as mentioned in paragraph 8.2 of this DLOF. The applicant should ensure that the certificate(s) reach the designated collection centre before the date of closing of the Tendering Period.

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 centers as mentioned in paragraph 8.2 of this DLOF, 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 dematerialised 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 DLOF should be received on or before [●]. In order to ensure this, beneficial owners should tender the delivery instructions at least 2 working days prior to 29th February, 2011. Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the abovementioned date.

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

8.11.1. 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 centers as mentioned in paragraph 8.2 of this DLOF, 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.
- (ii) Shareholders who have lodged their Equity Shares for transfer with the Target must also send the acknowledgement received, if any, from the Target 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).

8.11.2. 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 centers as mentioned in paragraph 8.2 of this DLOF, 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 DLOF, so as to reach the Registrar to the Offer on or before the closing of the Tendering Period.
- (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).
- (v) 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.

8.12. Payment of consideration

- 8.12.1 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 DC, NEFT, RTGS, NECS, at specified centers where clearinghouses are managed by the RBI within 15 days from the date of closure of Offer i.e., [●]. 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.
- 8.12.2 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 National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) or National Electronic Clearing Services (NECS), as applicable, at specified centers where clearing houses are managed by the Reserve Bank of India, 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/Indian Financial System Code 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.
- 8.12.3 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.
- 8.12.4 For Shareholders, who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected/not credited through NECS/Direct Credit/RTGS/NEFT/ECS, 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 cheques, pay orders or demand drafts 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 Global Market (I) 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 10th December, 2011 confirming that sufficient resources are available with the Acquirer to fulfil the obligations under the Open Offer.
- 9.1.3. Audited 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 confirming the amount kept in the escrow account and a lien in favour of Manager.
- 9.1.5. A copy of Public Announcement dated 15th December, 2011 copy of the detailed public statement dated 22nd December, 2011 published in all editions of The Financial Express (English Language), Jansatta (Hindi Language) and Nav Shakti in Mumbai Edition (Marathi Language).
- 9.1.6. A copy of the recommendation made by the Target Company's Board.
- 9.1.7. A copy of the comments letter from SEBI.
- 9.1.8. A copy of the agreement into with Depository Participant for opening a special depository account for the purpose of the Open Offer.

10. DECLARATION BY THE ACQUIRERS (INCLUDING PACs, IF ANY)

The Acquirer, Mr. Bhavook Tripathi accepts full responsibility for the information contained in the Public Announcement , Detailed Public Statement and 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, 2011.

Mr. Bhavook Tripathi (Acquirer)

Encl.: Form of Acceptance cum Acknowledgement

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Sr. No.	Share Certificate No.	Distinctive Nos.		No. of equity shares
		From	To	
1				
2				
3				
Total No. of Equity Shares				

For shares held in Demat form:

2. I / We, holding equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in “Off-market” mode, duly acknowledged

DP Name	DP ID	Client ID	Beneficiary Name	No. of equity shares

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

- I / We confirm that the Equity Shares of RSIL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
- I / We authorize the Acquirer to accept the Equity Shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
- 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 document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
- I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.
- I/We note and understand that the Shares would held in trust by the Registrar until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
- I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
- I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with RSIL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with RSIL):

.....
Place..... Date

TelNo Fax No

So as to avoid fraudulent encashment in transit, the shareholder(s) have an option to receive the sale consideration through RTGS/ECS mode and requested to kindly provide following information compulsorily in order to received payment through RTGS/ECS

Bank Account No.:	Type of Account: (Savings /Current /Other (please specify))
Name of the Bank:	
Name of the Branch and Address:	
MICR Code of Bank	
IFCS Code of Bank	

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

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

Yours faithfully,

Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.

INSTRUCTIONS

- 1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
- 2 The Form of Acceptance should be filled-up in English only.
- 3 Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
- 4 **Mode of tendering the Equity Shares Pursuant to the Offer:**
 - I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of RSIL.
 - II. Shareholders of RSIL to whom this Offer is being made, are free to Offer his / her / their shareholding in RSIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

ACKNOWLEDGEMENT SLIP

SHARES IN PHYSICAL FORM

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.

Received from Mr. / Ms.

Ledger Folio No/ Number of certificates enclosed under the Letter of Offer dated,
Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of equity shares
		From	To	
1.				
2.				
3.				
Total no. of Equity Shares				

Stamp

Authorised Signatory

Date

Note: All future correspondence, if any, should be addressed to the **Registrar to the Offer**

Link Intime India Private Limited

Address: C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400078

Telephone: 022-25960320, Fax: 022-25960329

Email: rsil.offer@linkintime.co.in

Contact Person: Mr. Pravin Kasare

ACKNOWLEDGEMENT SLIP

SHARES IN DEMATERIALIZED FORM

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.

Received from Mr. / Ms.

I / We, holding equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of equity shares

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

Stamp

Authorised Signatory

Date

Note: All future correspondence, if any, should be addressed to the **Registrar to the Offer**

Link Intime India Private Limited
Address: C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400078
Telephone: 022-25960320, Fax: 022-25960329
Email: rsil.offer@linkintime.co.in
Contact Person: Mr. Pravin Kasare

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