

**DRAFT LETTER OF OFFER****THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Draft Letter of Offer is being sent to you as a registered Equity Shareholder (*as defined hereinafter*) of R Systems International Limited (the “**Company**”) as on the Record Date (*as defined hereinafter*) in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the “**Buyback Regulations**”). If you require any clarifications about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buyback i.e. Motilal Oswal Investment Advisors Limited or the Registrar to the Buyback i.e. Link Intime India Private Limited. Please refer to the section on “**Definitions**” for the definition of the capitalized terms used herein.

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E-mail: [investors@rsystems.com](mailto:investors@rsystems.com) | Website: [www.rsystems.com](http://www.rsystems.com)**Corporate Identification Number (CIN):** L74899DL1993PLC053579**Contact Person:** Mr. Bhasker Dubey, Company Secretary and Compliance OfficerTel. No.: +91 120-4303566 | Fax: +91 120-4082699 | E-mail: [investors@rsystems.com](mailto:investors@rsystems.com)

**CASH OFFER TO BUYBACK UP TO 3,690,000 (THIRTY SIX LAKHS NINETY THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹1 EACH (“EQUITY SHARES”)(“BUYBACK”), REPRESENTING 2.98% OF THE TOTAL PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF THE FULLY PAID EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. FRIDAY, FEBRUARY 01, 2019 (“RECORD DATE”), ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” ROUTE, AT A PRICE OF ₹65 (RUPEES SIXTY FIVE) PER EQUITY SHARE (THE “BUYBACK PRICE”) FOR AN AGGREGATE AMOUNT OF UP TO ₹ 239,850,000 (RUPEES TWENTY THREE CRORES NINETY EIGHT LAKHS FIFTY THOUSAND ONLY) (THE “BUYBACK SIZE”). AS REQUIRED UNDER THE BUYBACK REGULATIONS, EQUITY SHARES TO BE BOUGHT BACK ARE DIVIDED INTO TWO CATEGORIES: (I) RESERVED CATEGORY FOR SMALL SHAREHOLDERS (AS DEFINED HEREINAFTER); AND (II) GENERAL CATEGORY FOR ALL OTHER SHAREHOLDERS.**

1. The Buyback is in accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the “**Companies Act**”), the Buyback Regulations, Article 70 of the Articles of Association of the Company and is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/ or regulatory authority and which may be agreed by the Board and/ or any sub-committee thereof.
2. The Buyback Size is 9.87% of the paid-up equity share capital and free reserves as per the standalone audited balance sheet of the Company as on December 31, 2017 (the last standalone audited balance sheet available for the financial year as on the date of the Board meeting approving the proposal of the Buyback, held on January 15, 2019) and is within the statutory limits of 10% of the total paid-up equity share capital and free reserves as per the last standalone audited financial statements of the Company for financial year ended December 31, 2017. The Equity Shares proposed to be bought back represent 2.98% of the total number of paid-up equity share capital of the Company.
3. The Letter of Offer will be sent to the Shareholder(s)/ Beneficial Owner(s) holding Equity Shares of the Company as on the Record Date i.e. Friday, February 01, 2019.
4. The procedure for tendering and settlement is set out in clause 20 on page 38 of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the “**Tender Form**”) is enclosed together with this Draft Letter of Offer.
5. For mode of payment of consideration to the Equity Shareholders, please refer to clause 20(XXVI) on page 43 of this Draft Letter of Offer.
6. Equity Shareholders are advised to refer to Clause 17 (**Details of the Statutory Approvals**) and Clause 21 (**Note on Taxation**) of this Draft Letter of Offer, before tendering their Equity Shares in the Buyback.
7. A copy of the Public Announcement, this Draft Letter of Offer and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India- <http://www.sebi.gov.in> and on the website of the Company- [www.rsystems.com](http://www.rsystems.com)

**MANAGER TO THE BUY BACK****Motilal Oswal Investment Advisors Limited**

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SEBI Registration Number : INR000004058

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**BUY BACK OPENS ON:**

[●]

**BUY BACK CLOSES ON:**

[●]

**LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING  
PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: [●], 5 PM**

## **TABLE OF CONTENTS**

1.	SCHEDULE OF ACTIVITIES .....	3
2.	DEFINITION OF KEY TERMS .....	3
3.	DISCLAIMER CLAUSE .....	6
4.	TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS .....	7
5.	DETAILS OF THE PUBLIC ANNOUNCEMENT .....	10
6.	DETAILS OF THE BUY BACK.....	10
7.	AUTHORITY FOR THE BUY BACK.....	12
8.	NECESSITY OF THE BUY BACK.....	12
9.	MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY BACK ON THE COMPANY .....	12
10.	BASIS OF CALCULATING THE BUYBACK PRICE .....	21
11.	SOURCES OF FUNDS FOR THE BUY BACK .....	21
12.	DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN .....	22
13.	CAPITAL STRUCTURE AND SHAREHOLDING PATTERN .....	22
14.	BRIEF INFORMATION OF THE COMPANY .....	25
15.	FINANCIAL INFORMATION ABOUT THE COMPANY.....	31
16.	STOCK MARKET DATA .....	33
17.	DETAILS OF THE STATUTORY APPROVALS.....	34
18.	DETAILS OF THE REGISTRAR TO THE BUY BACK AND COLLECTION CENTRES.....	34
19.	PROCESS AND METHODOLOGY FOR THE BUYBACK.....	35
20.	PROCEDURE FOR TENDER/ OFFER AND SETTLEMENT .....	38
21.	NOTE ON TAXATION .....	45
22.	DECLARATION BY THE BOARD OF DIRECTORSle .....	49
23.	AUDITOR'S CERTIFICATE.....	50
24.	DOCUMENTS FOR INSPECTION .....	53
25.	DETAILS OF THE COMPLIANCE OFFICER AND COMPANY INVESTOR RELATIONS.....	53
26.	DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS.....	53
27.	DETAILS OF INVESTOR SERVICE CENTRE .....	54
28.	DETAILS OF THE MANAGER TO THE BUY BACK .....	54
29.	DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER .....	55
30.	OFFER FORM .....	56

## 1. SCHEDULE OF ACTIVITIES

Activity	Day and Date
Date of the Board meeting to approve the proposal for Buyback of Equity Shares	Tuesday, January 15, 2019
Date of publication of Public Announcement for the Buyback	Thursday, January 17, 2019
Record Date for determining the Buyback Entitlement and the names of Eligible Sellers	Friday, February 01, 2019
<b>Buyback opens on / date of opening of Buyback</b>	[●]
<b>Buyback closes on / date of closing of Buyback</b>	[●]
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar and Transfer Agent	[●]
Last date of verification by Registrar	[●]
Last date of providing Acceptance to the Stock Exchange by the Registrar	[●]
Last date of settlement of bids on the Stock Exchange	[●]
Last date of dispatch of share certificate(s) by RTA / return of unaccepted demat Equity Shares by Stock Exchange to Selling Member/Eligible Sellers	[●]
Last date of extinguishment of Equity Shares	[●]

*Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.*

## 2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning provided below. Reference to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
<b>Acceptance / Accept / Accepted</b>	Acceptance of Equity Shares tendered by Eligible Sellers in the Buyback Offer.
<b>Act or Companies Act</b>	The Companies Act, 2013, as amended and rules framed thereunder
<b>Acquisition Window</b>	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars.
<b>Additional Equity Shares or Additional Shares</b>	Additional Equity Shares tendered by an Eligible Seller over and above the Buyback Entitlement of such Eligible Seller not exceeding the Equity Shares held by such Eligible Seller as on the Record Date.
<b>Articles / AOA</b>	Articles of Association of the Company, as amended from time to time
<b>Board or Board of Directors</b>	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof).
<b>Board Meeting</b>	Meeting of the Board of Directors of the Company held on Tuesday, January 15, 2019 approving the Buyback.
<b>BOI</b>	Body of Individuals
<b>BSE</b>	BSE Limited
<b>Buyback or Buyback Offer or Offer</b>	Buyback of up to 3,690,000 (Thirty Six Lakhs Ninety Thousand) fully paid-up Equity Shares at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share for an aggregate amount up to ₹ 239,850,000 (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand Only) through Tender Offer.
<b>Buyback Closing Date</b>	[●]being the last date upto which the tendering of shares by Eligible Sellers will be allowed
<b>Buyback Opening Date</b>	[●]being the date from which the tendering of Equity Shares by Eligible Sellers will be allowed
<b>Buyback Entitlement or Entitlement</b>	The number of Equity Shares that an Eligible Seller is entitled to tender, in the Buyback, based on the number of Equity Shares held by such Eligible Seller, on the Record Date and the ratio / percentage of Buyback applicable to such Shareholder.

Term	Description
<b>Buyback Price or Offer Price</b>	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. ₹65 (Rupees Sixty Five Only) per Equity Share, payable in cash.
<b>Buyback Size</b>	Number of Equity Shares proposed to be bought back (i.e. 3,690,000 (Thirty Six Lakhs Ninety Thousand) fully paid-up Equity Shares) multiplied by the Buyback Price (i.e. a price of ₹ 65 (Rupees Sixty Five only) per Equity Share) aggregating to ₹ 239,850,000 (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand Only).
<b>Buyback Regulations</b>	The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and the SEBI Circulars.
<b>CDSL</b>	Central Depository Services (India) Limited
<b>Clearing Corporation</b>	Indian Clearing Corporation Limited
<b>Committee or Committee of Directors or Buyback Committee</b>	The Committee of Directors was formed and authorized for the purposes of the Buyback through a resolution of the Board dated January 15, 2019.
<b>Companies Act or Act</b>	Companies Act, 2013 and applicable rules thereunder.
<b>“Company” or “Our Company” or “we” or “us” or “our”</b>	R Systems International Limited, unless the context states otherwise.
<b>Company’s Broker</b>	Motilal Oswal Financial Services Limited
<b>Company’s Demat Account</b>	The depository account entitled “R Systems International Limited” opened by the Company.
<b>DP</b>	Depository Participant
<b>Depositories</b>	NSDL and CDSL
<b>Designated Stock Exchange</b>	The designated stock exchange for the Buyback is BSE.
<b>Director</b>	Director(s) of the Company.
<b>Draft Letter of Offer (DLOF)</b>	This Draft Letter of Offer dated January 24, 2019 filed with SEBI.
<b>Eligible Shareholders or Eligible Person or Equity Shareholder or Eligible Sellers</b>	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders/beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. February 01, 2019 and excludes Person(s) who do not have the capacity under applicable law to tender shares.
<b>Equity Shares</b>	Fully paid-up equity shares of the Company each having a face value of ₹1 (Rupee One Only).
<b>Escrow Account</b>	The Escrow Account titled “RSIL BUYBACK OF EQUITY SHARES 2019 ESCROW ACCOUNT” opened with the Escrow Agent.
<b>Escrow Agent</b>	Axis Bank Limited
<b>Escrow Agreement</b>	The Escrow Agreement dated January 23, 2019 entered into between the Company, the Manager and the Escrow Agent.
<b>FEMA</b>	Foreign Exchange Management Act, 1999
<b>FIIs</b>	Foreign Institutional Investors
<b>IT Act or Income Tax Act</b>	Income-tax Act, 1961
<b>General Category</b>	Eligible Sellers other than the Small Shareholders
<b>LOF or Letter of Offer</b>	This letter of offer dated [●], containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer.
<b>Manager to the Buyback or Manager to the Offer</b>	Motilal Oswal Investment Advisors Limited
<b>N.A.</b>	Not Applicable
<b>Non-Resident Indians</b>	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
<b>Non-Resident Shareholders</b>	Includes Non-resident Indians (NRI), Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI) and erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals.
<b>NSE</b>	National Stock Exchange of India Limited
<b>NSDL</b>	National Securities Depository Limited
<b>Promoter and Promoter Group</b>	Promoter and promoter group as have been disclosed under the filings made by the Company under the listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

<b>Term</b>	<b>Description</b>
<b>Public Announcement</b>	The public announcement, made in accordance with the Buyback Regulations, dated January 16, 2019, published in all editions of the Business Standard (English national daily) and the Business Standard (Hindi national daily) (regional language daily since Hindi is the regional language at the place of the registered office of the Company), each with wide circulation, on January 17, 2019.
<b>RBI</b>	Reserve Bank of India
<b>Record Date</b>	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Sellers to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the proposed Buyback offer in accordance with the Buyback Regulations. The Record Date for the Offer is Friday, February 01, 2019.
<b>Registrar to the Buyback</b>	Link Intime India Private Limited
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Circulars</b>	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
<b>Seller Member or Seller Broker</b>	A stock broker (who is a member of the BSE) of an Eligible Seller, through whom the Eligible Shareholder wants to participate in the Buyback
<b>Shareholders</b>	Holders of Equity Shares and includes beneficial owners thereof
<b>Shareholder Broker</b>	A Stock Broker of an Eligible Seller through whom the Eligible Seller wants to participate in the Buyback.
<b>Small Shareholder</b>	‘Small Shareholder’ means a shareholder of the Company, who holds shares whose market value, on the basis of closing price of shares, on the recognized stock exchange in which highest trading volume in respect of such security, as on Record Date (i.e. February 01, 2019), is not more than ₹ 200,000 (Rupees Two Lakh Rupees Only).
<b>Stock Exchanges</b>	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed.
<b>Takeover Regulations</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
<b>Tender Form</b>	The form to be filled in by the Shareholders to participate in the Buyback.
<b>Tender Offer</b>	Method of Buyback as defined in Regulation 2(i)(q) of the Buyback Regulations.
<b>Tendering Period</b>	Period of 10 (Ten) Working Days from the date of opening of the Buyback Offer until its closure (both days inclusive).
<b>TRS</b>	Transaction Registration Slip generated by the exchange bidding system
<b>U.S.</b>	United States / United States of America
<b>Working Day</b>	Working day shall have the meaning ascribed to it under the Buyback Regulations.

### 3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way, be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet its Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback, Motilal Oswal Investment Advisors Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and the Buyback Regulations. This requirement is to facilitate Eligible Sellers to take an informed decision in tendering their Equity Shares in the Buyback.

It should also be clearly understood that, while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager, Motilal Oswal Investment Advisors Limited, has furnished to SEBI a due diligence certificate dated January 24, 2019, in accordance with the Buyback Regulations, which reads as follows:

*"We have examined various documents and material papers contained in the annexures to this Draft Letter of Offer relevant to the Buyback, as part of the due diligence carried out by us in connection with the finalization of the Public Announcement published on January 17, 2019 and the Draft Letter of Offer dated January 24, 2019. On the basis of such examination and the discussions with the Company, we hereby state that:*

- 1) the Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;*
- 2) all the legal requirements connected with the said offer including the SEBI (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with;*
- 3) the disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Sellers to make a well informed decision in respect of the captioned Buyback;*
- 4) funds used for Buyback shall be as per the provisions of the Companies Act."*

The filing of the Draft Letter of Offer with SEBI, does not, however, absolve the Company from any liability under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Directors / Promoters declare and confirm that no information or material likely to have a bearing on the decision of Eligible Sellers has been suppressed, withheld and / or incorporated in a manner that would amount to misstatement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed or withheld, or amounts to a misstatement or misrepresentation, the Promoters and Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The Directors / Promoters, also declare and confirm that, funds borrowed from banks and financial institutions will not be used for the Buyback.

#### **Disclaimer for Persons in countries other than India:**

This Draft Letter of Offer does not in any way constitute an offer or an invitation in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

## Important Notice to Shareholders

- This Draft Letter of Offer together with the Public Announcement that was published on January 17, 2019 in connection with this Buyback, has been prepared for the purposes of compliance with the regulations of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer. This Draft Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe/purchase/sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe/purchase/sell any securities including the Equity Shares of the Company.
- No action has been or will be taken to permit the Buyback in any jurisdiction where action would be required for that purpose. This Draft Letter of Offer shall be dispatched to all Equity Shareholders whose names appear on the register of members of the Company, as of the Record Date i.e. Friday, February 1, 2019. However, receipt of the Draft Letter of Offer by any Eligible Seller in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Draft Letter of Offer under any local securities laws), shall not be treated by such Eligible Seller as an offer being made to them and shall be construed by them as being sent for information purposes only.
- Persons in possession of this Draft Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buyback/ Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

## Forward Looking Statements:

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

## Currency and Unit of Presentation:

In this Draft Letter of Offer, references to "₹" and "Rupees" are to Indian Rupees i.e. the legal currency of India. Further, all data related to financials are given in ₹ lakhs, unless otherwise stated.

## 4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on January 15, 2019. The extracts of the Board resolution are as follows:

**"RESOLVED THAT** pursuant to the provisions of Article 70 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **"Companies Act"**), the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the **"Buyback Regulations"**), including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of up to 3,690,000 (Thirty Six Lakhs Ninety Thousand Only) fully paid-up equity shares of Re. 01/- (Rupee One) each of the Company (**"Equity Shares"**) representing upto 2.98 % of the total paid-up Equity Share Capital of the Company at a price of Rs. 65 (Rupees Sixty Five only) per Equity Share (**"Buyback Price"**) payable in cash for an aggregate amount of up to Rs. 239,850,000/- (Rupees Twenty Three

Crores Ninety Eight Lakhs Fifty Thousand Only) ("**Buyback Size**"), which is 9.87 % of the fully paid-up Equity Share capital and free reserves as per the audited standalone balance sheet of the Company as on December 31, 2017, on a proportionate basis through the "**tender offer**" route as prescribed under the Buyback Regulations, to all of the shareholders who hold Equity Shares as of the Record Date (as defined below) ("**Buyback**") and the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India ("**SEBI**"), advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

**RESOLVED FURTHER THAT** Friday, February 01, 2019 shall be the record date for the purposes of the Buyback ("**Record Date**").

**RESOLVED FURTHER THAT** all of the shareholders of the Company will be eligible to participate in the Buyback including promoters and promoter group of the Company (including members thereof) who hold Equity Shares as of the Record Date, persons in control (including such persons acting in concert) who hold Equity Shares as of the Record Date.

**RESOLVED FURTHER THAT** the Buyback shall have reservation for small shareholders in accordance with the provisions of the Buyback Regulations.

**RESOLVED FURTHER THAT** the Company shall implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular bearing reference number and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 ("**SEBI Circulars**").

**RESOLVED FURTHER THAT** the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended ("**Listing Regulations**").

**RESOLVED FURTHER THAT** the Buyback from non-resident Members holding Equity Shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

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

**RESOLVED FURTHER THAT** the amount required by the Company for the Buyback is intended to be met out of the Company's current balances of cash and cash equivalents and/ or internal accruals of the Company (and not from any borrowed funds) and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

**RESOLVED FURTHER THAT** in terms of Regulation 24(iii) of the Buyback Regulations, Mr. Bhasker Dubey, Company Secretary, be and is hereby appointed as the Compliance Officer for the Buyback and Link Intime India Pvt. Ltd., Registrar and Transfer Agent of the Company, is appointed Registrar and the Investor Service Centre.

**RESOLVED FURTHER THAT** draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and is hereby approved and Mr. Satinder Singh Rekhi, Managing Director, and Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director of the Company, be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India in accordance with applicable law.

**RESOLVED FURTHER THAT** the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

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



- (b) that as regards its prospects for the year immediately following that date, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- (c) that in forming their opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

**RESOLVED THAT** in terms of Section 68(6) of the Companies Act, 2013 and applicable Buyback Regulations; the Board do adopt the Statement of Assets and Liabilities in the prescribed Form as at September 30, 2018 as per draft placed before the Board and that the same be signed by Mr. Satinder Singh Rekhi, Managing Director and Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director.

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

**RESOLVED FURTHER THAT** the Board hereby confirms that:

- a) the Company shall not issue any Equity Shares or specified securities including by way of bonus till the date of closure of the Buyback;
- b) the Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations;
- c) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- d) the Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- e) there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of any term loans to any financial institution or banks;
- f) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act
- g) the maximum number of Equity Shares proposed to be purchased under the Buyback (up to 36,90,000 Equity Shares), does not exceed 10% of the total number of Equity Shares in the paid-up Equity Share capital as per the audited standalone balance sheet as on December 31, 2017;
- h) the Company shall not make any offer of buyback within a period of one year reckoned from the date of closure of the Buyback
- i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and
- j) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback.

**RESOLVED FURTHER THAT** the draft of the public announcement and the draft letter of offer in connection with the Buyback as placed before the Board be and are hereby approved and that Mr. Satinder Singh Rekhi, Managing Director, Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director and Mr. Bhasker Dubey, Company Secretary and Compliance Officer, be and are hereby, jointly and/or severally, authorized to sign, execute and deliver, modify, sign and issue the final public announcement, draft letter of offer, letter of offer, other announcements required for the Buy-back, and provide affidavits, indemnity, undertaking, consents, declarations, confirmations or such other documents as may be required from time to time, on behalf of the Board, as per the requirements of the Regulations or the Act.

**RESOLVED FURTHER THAT** that a committee (the “**Buyback Committee**”) comprising of Mr. Satinder Singh Rekhi, Managing Director, Lt. Gen. Baldev Singh (Retd.), President & Sr. Executive Director, Mr. Avirag Jain, Director & Chief Technology Officer, Mrs. Ruchica Gupta, Non-Executive Independent Director, Mr. Nand Sardana, Chief Financial Officer and Mr. Bhasker Dubey, Company Secretary & Compliance Officer be constituted for the purposes of the Buyback and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company.

**RESOLVED FURTHER THAT** the Common Seal of the Company be affixed if required, on any document relating to the proposed Buyback, as per provisions contained in the Articles of Association of the Company.”

## 5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buyback Regulations, the Company has made a Public Announcement dated January 16, 2019 for the Buyback of Equity Shares published on January 17, 2019 in the following newspapers.

Name of Newspaper	Language	Edition
Business Standard	English	January 17, 2019
Business Standard	Hindi <sup>#</sup>	January 17, 2019

<sup>#</sup> The regional language at the place where the Company has its registered office is Hindi.

The Public Announcement was issued within 2 (two) working days from the date of passing of Board Resolution i.e. January 15, 2019. The Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) and on the website of the Company – [www.rsystems.com](http://www.rsystems.com).

The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

## 6. DETAILS OF THE BUY BACK

- I. The Board of Directors of the Company, at their meeting held on January 15, 2019 (the “Board Meeting”), pursuant to the provisions of Article 70 of Articles of Association of the Company and Section 68, 69, 70 and other applicable provisions of the Companies Act, Buyback Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board, approved the buyback of up to 3,690,000 (Thirty Six Lakhs Ninety Thousand ) fully paid-up Equity Shares representing 2.98% of the total paid-up Equity Share capital of the Company at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share payable in cash for an aggregate amount of up to ₹ 239,850,000 (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand Only), which is 9.87% of the fully paid-up equity share capital and free reserves as per the standalone audited balance sheet of the Company for the financial year ended December 31, 2017, on a proportionate basis through the Tender Offer route as prescribed under the Buyback Regulations from all the shareholders who hold Equity Shares as of the Record Date.
- II. The Buyback Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisor’s fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.
- III. The aggregate paid-up share capital and free reserves of the Company as on December 31, 2017 was ₹ 24,292.25 lakhs and under the provisions of the Act, the funds deployed for Buyback shall not exceed 10% of the paid-up equity capital and free reserves of the Company under Board approval route, as provided for under the first proviso to Section 68(2) of the Companies Act. Accordingly, the maximum amount that can be utilized in the present Buyback is ₹ 2,429.23 lakhs. The Company has proposed to utilize an aggregate amount of up to ₹ 2,398.50 lakhs (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand Only) for the Buyback which is within the maximum amount as mentioned above.
- IV. The shareholding of the promoter and promoter group of the Company (the “Promoter and Promoter Group”) and persons acting in concert as on the date of publication of the Public Announcement i.e. January 17, 2019 is as under:

Sr. No.	Name of Shareholder	Category	Number of Equity Shares	% of Equity Shares
<b>A. Promoter and Promoter Group</b>				

1.	Mr. Satinder Singh Rekhi**	Promoter	3,148,044	2.54
2.	Mrs. Harpreet Rekhi**	Promoter	1,508,452	1.22
3.	Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)	Promoter	12,150,731	9.80
4.	RightMatch Holdings Ltd	Promoter	9,076,218	7.32
5.	Mr. Sartaj Singh Rekhi**	Member of Promoter Group	19,800,619	15.97
6.	Mr. Ramneet Singh Rekhi **	Member of Promoter Group	16,857,524	13.60
7.	Mrs. Kuldeep Baldev Singh	Member of Promoter Group	6,080	Negligible
8.	Mrs. Anita Behl	Member of Promoter Group	1,697	Negligible
9.	Mrs. Amrita Kaur Rekhi**	Member of Promoter Group	896,465	0.72
	<b>Total</b>		<b>63,445,830</b>	<b>51.17</b>
<b>B. Person Acting in Concert *</b>				
10.	Mr. Avirag Jain	Person Acting in Concert	100	Negligible
11.	Lt. Gen. Baldev Singh (Retd.)	Person Acting in Concert	111,498	0.09
12.	Mandeep Singh Sodhi	Person Acting in Concert	602,819	0.49
13.	Mr. Vinay NS Behl	Person Acting in Concert	36,682	0.03
	<b>Total</b>		<b>751,099</b>	<b>0.61</b>

\* Person Acting in Concert as defined under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

\*\*Please note that the Company has allotted 29,746,353 equity shares on December 21, 2018 to the members of Promoter & Promoter Group of the Company as detailed in Clause 14(IV) of the DLOF pursuant to scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited as approved by National Company Law Tribunal, New Delhi. The Company has received in-principle listing approvals from NSE and BSE for allotment of 29,746,353 equity shares. As on date, corporate action for credit of shares under said allotment is under process.

- V. Shareholding of the directors of RightMatch Holdings Ltd., which is classified as a Promoter and Promoter Group Company as on the date of the Board Meeting i.e. January 15, 2019 is given below:

Sr. No	Name of Shareholder	Number of Equity Shares	% of Equity Shares
<b>Directors of RightMatch Holdings Ltd.</b>			
1.	Mr. Satinder Singh Rekhi*	3,148,044	2.54
2.	Mrs. Harpreet Rekhi*	1,508,452	1.22
3.	Mr. Sartaj Singh Rekhi*	19,800,619	15.97
4.	Mr. Ramneet Singh Rekhi*	16,857,524	13.60
5.	Ms. Sangeeta Bissessur	-	-
6.	Mr. Zakir Niamut	-	-

\*Please note that the Company has allotted 29,746,353 equity shares on December 21, 2018 to the members of Promoter & Promoter Group of the Company as detailed in Clause 14(IV) of the DLOF pursuant to scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited as approved by National Company Law Tribunal, New Delhi. The Company has received in-principle listing approvals from NSE and BSE for allotment of 29,746,353 equity shares. As on date corporate action for credit of shares under said allotment is under process.

- VI. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buyback. In this regard, members of the Promoter and Promoter Group have expressed their intention vide their letters dated January 15, 2019 to participate in the Buyback and offer up to an aggregate maximum number of 21,800,000 Equity Shares and some of the Persons acting in concert have expressed their intention vide their letters dated January 15, 2019 to participate in the Buyback and offer up to an aggregate maximum number of 400,000 Equity Shares, and hence, Promoter and Promoter Group and Person Acting in Concert will offer in aggregate maximum number of 22,200,000 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/terms of the Buyback. The extent of their participation in the Buyback has been detailed in clause 9(III) of this DLOF. Mrs. Kuldeep Baldev Singh (Member of Promoter Group), Mrs. Anita Behl (Member of Promoter Group), Mr. Avirag Jain (Person Acting in Concert) and Mr. Vinay NS Behl (Person Acting in Concert) have indicated that they will not be participating in the Buyback.

- VII. The Promoter and Promoter Group of the Company hold 51.17% of Equity Shares in the total outstanding equity share capital of the Company. For details with respect to Promoter and Promoter Group shareholding post Buyback please refer Clause 13(VII) of this DLOF. Post Buyback the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, and the provisions contained under Rule 19 (2) (b) and Rule 19A of the Securities Contract (Regulation) Rules, 1957 read with SEBI circular dated February 22, 2018.

## **7. AUTHORITY FOR THE BUY BACK**

Pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, and in accordance with Article 70 of the Articles of Association of the Company and subject to the provisions of the Buyback Regulations, and from any other statutory and/ or regulatory authority, as may be required and which may be agreed to by the Board and/ or any committee thereof, the Board of Directors at their meeting on January 15, 2019 have passed resolutions approving the Buyback.

The Buyback is further subject to approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to SEBI and the Stock Exchanges.

## **8. NECESSITY OF THE BUY BACK**

The Buyback is being undertaken by the Company after taking into account the strategic and operational cash needs of the Company in the medium term and thereby returning surplus funds to the equity shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, effective and cost efficient manner. The Buyback is being undertaken for the following reasons:

- I. The Buyback will help the Company to distribute surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- II. The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve a reservation of 15% of the Buyback Size for small shareholders. The Company believes that this reservation of upto 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholders as defined in the Buyback Regulations";
- III. The Buyback would help in improving financial ratios like earnings per share and return on equity, by reducing the equity base of the Company; and
- IV. The Buyback gives an option to the Eligible Sellers to either choose to participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback or choose not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment as result of decrease in the paid-up Equity Share Capital.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY BACK ON THE COMPANY**

- I. The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders up to their Buyback Entitlement, the funds deployed by the Company towards the Buyback would be ₹ 239,850,000 (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand only) excluding any other expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisor's fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.
- II. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its requirements for business operations. The Buyback is expected to contribute to the overall enhancement of the shareholder value and result in an increase in the return on equity of the Company.
- III. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group and Person Acting in Concert of the Company have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated January 15, 2019, to participate in the Buyback and offer up to an

aggregate maximum number of 21,800,000 Equity Shares and some of the Persons acting in concert have expressed their intention vide their letters dated January 15, 2019 to participate in the Buyback and offer up to an aggregate maximum number of 400,000 Equity Shares, and hence Promoter and Promoter Group and Person Acting in Concert will offer in aggregate maximum number of 22,200,000 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/terms of the Buyback.

Please see below the maximum number of Equity Shares to be tendered by each of the Promoter and Promoter Group and the maximum number of Equity Shares to be tendered by the Persons acting in concert in the Buyback:

Sr. No.	Name of Promoter and Promoter Group entity and Person acting in concert	Category	Maximum Number of Equity Shares proposed to be tendered
1.	Mr. Satinder Singh Rekhi	Promoter	1,000,000
2.	Mrs. Harpreet Rekhi	Promoter	500,000
3.	Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)	Promoter	4,500,000
4.	RightMatch Holdings Ltd	Promoter	3,000,000
5.	Mr. Ramneet Singh Rekhi	Member of Promoter Group	6,000,000
6.	Mr. Sartaj Singh Rekhi	Member of Promoter Group	6,500,000
7.	Mrs. Amrita Kaur Rekhi	Member of Promoter Group	300,000
8.	Lt. Gen. Baldev Singh (Retd)	Person Acting in Concert <sup>1</sup>	100,000
9.	Mr. Mandeep Singh Sodhi	Person Acting in Concert <sup>1</sup>	300,000
	<b>Total</b>		<b>22,200,000</b>

<sup>1</sup> Person Acting in Concert as defined under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

Mrs. Kuldeep Baldev Singh (Member of Promoter Group), Mrs. Anita Behl (Member of Promoter Group), Mr. Avirag Jain (Person Acting in Concert) and Mr. Vinay NS Behl (Person Acting in Concert) have indicated that they will not be participating in the Buyback

IV. Details of the date and price of acquisition of the Equity Shares of the Promoters and Promoter Group and of the Persons acting in concert who intend to tender their Equity Shares in the Buyback are set-out below:

**A. Promoter and Promoter Group**

**(1) Mr. Satinder Singh Rekhi**

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (Rs)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
May 14, 1993	Subscriber to MOA	10	10.00	10.00	Cash
February 3, 1996	Allotment	49,970	10.00	10.00	Cash
July 25, 2000	Transfer	(25,580)	10.00	20.00	Cash
August 20, 2000	Transfer	(24,400)	10.00	20.00	Cash
July 18, 2005	Transfer	28,500	2.00	42.06	Cash
January 04, 2006	Transfer	114,000	2.00	60.46	Cash
January 28, 2006	Transfer	84,000	2.00	50.26	Cash
January 30, 2006	Consolidation <sup>@</sup>	45,300	10.00	N.A.	N.A.
January 30, 2006	Bonus <sup>^</sup>	45,300	10.00	N.A.	N.A.

February 20, 2013	Off Market Purchase	40,320	10.00	200.00	Cash
February 28, 2014	Sub-Division <sup>5</sup>	1,309,200	1.00	N.A.	N.A.
November 29, 2016	Sale <sup>1</sup>	27,644	1.00	65.00	Cash
August 1, 2018	Purchase <sup>2</sup>	92,888	1.00	34.92	Cash
August 2, 2018	Purchase <sup>2</sup>	39,811	1.00	36.09	Cash
August 6, 2018	Purchase <sup>2</sup>	12,967	1.00	37.10	Cash
August 7, 2018	Purchase <sup>2</sup>	21,425	1.00	37.01	Cash
August 8, 2018	Purchase <sup>2</sup>	18,266	1.00	37.14	Cash
August 9, 2018	Purchase <sup>2</sup>	17,816	1.00	37.15	Cash
August 10, 2018	Purchase <sup>2</sup>	9,493	1.00	37.15	Cash
August 13, 2018	Purchase <sup>2</sup>	50,787	1.00	37.14	Cash
August 14, 2018	Purchase <sup>2</sup>	15,569	1.00	37.09	Cash
August 16, 2018	Purchase <sup>2</sup>	11,054	1.00	37.12	Cash
August 17, 2018	Purchase <sup>2</sup>	68,720	1.00	37.15	Cash
December 21, 2018	Allotment <sup>3</sup>	1,507,692	1.00	NA	N.A.
<b>Total Current Holding</b>		<b>3,148,044</b>			

<sup>1</sup>Shares tendered in the Buy Back offer of R Systems International Limited.

<sup>2</sup> Purchased from open Market

<sup>3</sup> Allotment pursuant to Scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi vide order dated December 07, 2018.

## (2) Mrs. Harpreet Rekhi

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (Rs)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
February 16, 2000	Transfer	1	10.00	1,000.00	Cash
January 05, 2001	Bonus <sup>*</sup>	18	10.00	N.A.	N.A.
January 05, 2001	Sub-division <sup>#</sup>	95	2.00	N.A.	N.A.
January 18, 2006	Transfer	95	2.00	15.00	Cash
January 30, 2006	Consolidation <sup>@</sup>	38	10.00	N.A.	N.A.
January 30, 2006	Bonus <sup>^</sup>	38	10.00	N.A.	N.A.
February 28, 2014	Sub-Division <sup>5</sup>	760	1.00	N.A.	N.A.
December 21, 2018	Allotment <sup>1</sup>	1,507,692	1.00	N.A.	N.A.
<b>Total Current Holding</b>		<b>1,508,452</b>			

<sup>1</sup>Allotment pursuant to Scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi vide order dated December 07, 2018.

## (3) Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (Rs)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
January 02, 2001	Allotment	52,260	10.00	10,848.00 (approx.)	Other than Cash

January 05, 2001	Bonus*	940,680	10.00	N.A.	NA
January 05, 2001	Sub-division <sup>#</sup>	4,964,700	2.00	N.A.	N.A.
January 28, 2006	Transfer	(160,405)	2.00	0.00001	Cash
January 30, 2006	Consolidation <sup>@</sup>	960,859	10.00	N.A.	NA
January 30, 2006	Bonus <sup>^</sup>	960,859	10.00	N.A.	NA
September 18, 2013	Transfer <sup>1</sup>	(87,000)	10.00	200.00	Cash
January 01, 2014	Transfer <sup>1</sup>	(39,600)	10.00	265.00	Cash
February 28, 2014	Sub-division <sup>5</sup>	17,951,180	1.00	N.A.	N.A.
June 26, 2014	Transfer <sup>1</sup>	(925,000)	1.00	45.00	Cash
August 06, 2014	Transfer <sup>1</sup>	(400,000)	1.00	45.00	Cash
September 17, 2014	Transfer <sup>1</sup>	(301,000)	1.00	46.00	Cash
April 27, 2015	Transfer <sup>1</sup>	(1,210,000)	1.00	74.00	Cash
May 15, 2015	Transfer <sup>1</sup>	(227,700)	1.00	63.00	Cash
June 20, 2015	Transfer <sup>1</sup>	(409,500)	1.00	64.00	Cash
August 31, 2015	Transfer <sup>1</sup>	(1,310,000)	1.00	70.00	Cash
December 10, 2015	Transfer <sup>1</sup>	(149,000)	1.00	65.00	Cash
November 29, 2016	Sale <sup>2</sup>	275,249	1.00	65.00	Cash
December 26, 2016	Transfer <sup>1</sup>	(593,000)	1.00	55.00	Cash
<b>Total Current Holding</b>		<b>12,150,731</b>			

<sup>1</sup> Inter-se Transfer between Promoter & Promoter Group

<sup>2</sup> Shares tendered in the Buyback offer of R Systems International Limited.

#### (4) RightMatch Holdings Ltd.

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (Rs)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
September 12, 2000	Transfer <sup>1</sup>	24,400	10.00	20.00	Cash
January 05, 2001	Bonus*	439,200	10.00	N.A.	N.A.
January 05, 2001	Subdivision <sup>#</sup>	2,318,000	2.00	N.A.	N.A.
January 30, 2006	Consolidation <sup>@</sup>	463,600	10.00	N.A.	N.A.
January 30, 2006	Bonus <sup>^</sup>	463,600	10.00	N.A.	N.A.
February 28, 2014	Sub-division <sup>5</sup>	9,272,000	1.00	N.A.	N.A.
November 29, 2016	Sale <sup>2</sup>	195,782	1.00	65.00	Cash
<b>Total Current Holding</b>		<b>9,076,218</b>			

<sup>1</sup> Inter-se Transfer between Promoter & Promoter Group.

<sup>2</sup> Shares tendered in the Buyback offer of R Systems International Limited.

#### (5) Mr. Sartaj Singh Rekhi

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (Rs)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
February 16, 2000	Transfer	1	10.00	10.00	Cash
January 5, 2001	Bonus*	18	10.00	N.A.	N.A.

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (Rs)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
January 5, 2001	Sub-Division <sup>#</sup>	95	2.00	N.A.	N.A.
June 27, 2005	Transfer	95,000	2.00	0.47	Cash
July 18, 2005	Transfer	1,222,500	2.00	1.07	Cash
January 18, 2006	Transfer	(98)	2.00	14.85	Cash
January 18, 2006	Transfer	3	2.00	10.00	Cash
January 28, 2006	Transfer	(1,279,595)	2.00	0.0001	Cash
January 30, 2006	Consolidation <sup>@</sup>	7,581	10.00	NA	NA
January 30, 2006	Bonus <sup>^</sup>	7,581	10.00	NA	NA
December 11, 2006	Purchase <sup>1</sup>	7,000	10.00	179.42	Cash
August 07, 2006	Off Market Purchase	19,380	10.00	19.50	Cash
March 05, 2007	Purchase <sup>1</sup>	9,000	10.00	138.58	Cash
March 15, 2007	Purchase <sup>1</sup>	5,510	10.00	136.10	Cash
March 16, 2007	Purchase <sup>1</sup>	2,370	10.00	139.53	Cash
March 26, 2007	Purchase <sup>1</sup>	12,217	10.00	135.31	Cash
November 01, 2007	Purchase <sup>1</sup>	46,710	10.00	92.72	Cash
November 06, 2007	Purchase <sup>1</sup>	28,807	10.00	89.85	Cash
March 20, 2008	Purchase <sup>1</sup>	20,197	10.00	90.54	Cash
March 31, 2008	Purchase <sup>1</sup>	2,200	10.00	77.77	Cash
December 19, 2011	Purchase <sup>1</sup>	12,496	10.00	130.46	Cash
December 20, 2011	Purchase <sup>1</sup>	665	10.00	126.30	Cash
December 22, 2011	Purchase <sup>1</sup>	15,202	10.00	133.40	Cash
December 26, 2011	Purchase <sup>1</sup>	2,200	10.00	140.50	Cash
December 27, 2011	Purchase <sup>1</sup>	4,849	10.00	144.33	Cash
December 28, 2011	Purchase <sup>1</sup>	16,014	10.00	148.86	Cash
December 29, 2011	Purchase <sup>1</sup>	12,739	10.00	151.30	Cash
December 30, 2011	Purchase <sup>1</sup>	12,227	10.00	152.78	Cash
February 13, 2012	Purchase <sup>1</sup>	13,170	10.00	141.46	Cash
February 14, 2012	Purchase <sup>1</sup>	25,119	10.00	145.40	Cash
February 15, 2012	Purchase <sup>1</sup>	8,100	10.00	145.00	Cash
February 28, 2012	Off Market Purchase	38,000	10.00	148.00	Cash
June 18, 2012	Off Market Purchase	15,200	10.00	148.00	Cash
December 11, 2013	Inter-se Transmission	254,600	10.00	N.A.	N.A.
February 28, 2014	Sub-Division <sup>§</sup>	5,991,340	1.00	N.A.	N.A.
November 29, 2016	Sale <sup>2</sup>	126,684	1.00	65.00	Cash
December 21, 2018	Allotment <sup>3</sup>	13,935,963	1.00	NA	N.A.
<b>Total Current Holding</b>		<b>19,800,619</b>			

<sup>1</sup>Purchased from open Market.

<sup>2</sup>Shares tendered in the Buyback offer of R Systems International Limited.

<sup>3</sup>Allotment pursuant to Scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi vide order dated December 07, 2018.

**(6) Mr. Ramneet Singh Rekhi**



Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (Rs)	Issue/ Consideration Per Equity Share (Rs.))	Consideration (Cash, other than cash)
December 15, 2006	Purchase <sup>1</sup>	8,513	10.00	169.75	Cash
March 06, 2007	Purchase <sup>1</sup>	9,993	10.00	126.84	Cash
March 07, 2007	Purchase <sup>1</sup>	8,232	10.00	121.33	Cash
March 08, 2007	Purchase <sup>1</sup>	5,974	10.00	120.87	Cash
March 28, 2007	Purchase <sup>1</sup>	9,009	10.00	131.07	Cash
March 30, 2007	Purchase <sup>1</sup>	6,500	10.00	133.01	Cash
August 07, 2007	Purchase <sup>1</sup>	19,000	10.00	107.55	Cash
August 24, 2007	Purchase <sup>1</sup>	40,000	10.00	95.49	Cash
September 17, 2007	Off Market Transaction	19,380	10.00	95.00	Cash
February 15, 2012	Purchase <sup>1</sup>	18,215	10.00	147.30	Cash
February 16, 2012	Purchase <sup>1</sup>	31,683	10.00	151.87	Cash
February 17, 2012	Purchase <sup>1</sup>	5,431	10.00	154.02	Cash
February 21, 2012	Purchase <sup>1</sup>	7,030	10.00	156.49	Cash
February 22, 2012	Purchase <sup>1</sup>	104	10.00	150.00	Cash
February 23, 2012	Purchase <sup>1</sup>	7,142	10.00	155.78	Cash
February 24, 2012	Purchase <sup>1</sup>	6,703	10.00	156.52	Cash
February 27, 2012	Purchase <sup>1</sup>	8,231	10.00	154.30	Cash
February 28, 2012	Purchase <sup>1</sup>	5,900	10.00	157.86	Cash
February 29, 2012	Purchase <sup>1</sup>	565	10.00	153.81	Cash
March 01, 2012	Purchase <sup>1</sup>	2,573	10.00	156.66	Cash
March 02, 2012	Purchase <sup>1</sup>	2,052	10.00	160.97	Cash
March 09, 2012	Purchase <sup>1</sup>	13,208	10.00	150.00	Cash
March 12, 2012	Purchase <sup>1</sup>	5,555	10.00	151.90	Cash
March 16, 2012	Purchase <sup>1</sup>	11,020	10.00	150.00	Cash
December 11, 2013	Inter-se Transmission	254,600	10.00	N.A.	N.A.
February 28, 2014	Sub-Division <sup>5</sup>	5,066,130	1.00	N.A.	N.A.
November 29, 2016	Sale <sup>2</sup>	107,147	1.00	65.00	Cash
December 21, 2018	Allotment <sup>3</sup>	11,898,541	1.00	NA	N.A.
<b>Total</b>		<b>16,857,524</b>			

<sup>1</sup>Purchased from open Market.

<sup>2</sup>Shares tendered in the Buyback offer of R Systems International Limited.

<sup>3</sup>Allotment pursuant to Scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi vide order dated December 07, 2018.

(7) Mrs. Amrita Kaur Rekhi

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
December 21, 2018	Allotment <sup>1</sup>	896,465	1.00	NA	N.A.

<sup>1</sup>Allotment pursuant to Scheme of Amalgamation of GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi order dated December 07, 2018.

## **B. Persons Acting in Concert**

### **(1) Lt. Gen. Baldev Singh (Retd.)**

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
February 16, 2000	Transfer	1	10.00	10.00	Cash
November 4, 2000	Transfer	2,000	10.00	20.00	Cash
January 5, 2001	Bonus*	36,018	10.00	N.A.	N.A.
January 5, 2001	Sub-Division <sup>#</sup>	190,095	2.00	N.A.	N.A.
January 25, 2006	Allotment under ESOP Plan	6,925	2.00	42.00	Cash
January 30, 2006	Consolidation <sup>@</sup>	39,404	10.00	N.A.	N.A.
January 30, 2006	Bonus <sup>^</sup>	39,404	10.00	N.A.	N.A.
April 20, 2006	Allotment	3,000	10.00	250.00	Cash
April 27, 2006	Sale <sup>1</sup>	1,700	10.00	260.00	Cash
August 2, 2006	Sale <sup>1</sup>	2,685	10.00	165.00	Cash
August 6, 2006	Sale <sup>1</sup>	8,808	10.00	104.32	Cash
December 27, 2006	Allotment under ESOP Plan	1,385	10.00	105.00	Cash
March 04, 2010	Sale <sup>1</sup>	5,000	10.00	101.00	Cash
June 06, 2013	Sale <sup>1</sup>	5,000	10.00	221.00	Cash
June 07, 2013	Sale <sup>1</sup>	10,000	10.00	221.00	Cash
June 11, 2013	Sale <sup>1</sup>	5,000	10.00	221.00	Cash
June 12, 2013	Sale <sup>1</sup>	5,000	10.00	221.00	Cash
June 14, 2013	Sale <sup>1</sup>	5,000	10.00	221.00	Cash
June 25, 2013	Sale <sup>1</sup>	5,000	10.00	221.00	Cash
February 28, 2014	Sub-Division <sup>\$</sup>	300,000	1.00	N.A.	N.A.
June 09, 2014	Sale <sup>1</sup>	9,487	1.00	50.00	Cash
June 10, 2014	Sale <sup>1</sup>	516	1.00	50.02	Cash
June 11, 2014	Sale <sup>1</sup>	6,262	1.00	50.54	Cash
August 13, 2014	Sale <sup>1</sup>	11,541	1.00	50.02	Cash
August 14, 2014	Sale <sup>1</sup>	12,978	1.00	50.50	Cash
August 19, 2014	Sale <sup>1</sup>	8,750	1.00	49.53	Cash
August 21, 2014	Sale <sup>1</sup>	58,668	1.00	55.04	Cash
August 22, 2014	Sale <sup>1</sup>	5,000	1.00	54.00	Cash
September 11, 2014	Sale <sup>1</sup>	7,537	1.00	53.54	Cash
September 12, 2014	Sale <sup>1</sup>	1,931	1.00	53.76	Cash
October 31, 2014	Sale <sup>1</sup>	10,000	1.00	65.00	Cash
November 17, 2014	Sale <sup>1</sup>	25,000	1.00	72.15	Cash
November 03, 2015	Sale <sup>1</sup>	601	1.00	70.31	Cash
November 04, 2015	Sale <sup>1</sup>	2,135	1.00	70.82	Cash
June 14, 2016	Sale <sup>1</sup>	5,000	1.00	55.51	Cash
November 01, 2016	Sale <sup>1</sup>	2,704	1.00	57.08	Cash
November 02, 2016	Sale <sup>1</sup>	5,000	1.00	56.57	Cash
November 29, 2016	Sale <sup>2</sup>	2,917	1.00	65.00	Cash
November 30, 2016	Sale <sup>1</sup>	5,500	1.00	57.63	Cash
December 01, 2016	Sale <sup>1</sup>	2,737	1.00	57.05	Cash

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
December 02, 2016	Sale <sup>1</sup>	4,238	1.00	56.01	Cash
<b>Total Current Holding</b>		<b>111,498</b>			

<sup>1</sup> Sale in Open Market

<sup>2</sup> Shares tendered in the Buyback offer of R Systems International Limited.

**(2) Mr. Mandeep Singh Sodhi**

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue/ Consideration Per Equity Share (Rs.)	Consideration (Cash, other than cash)
November 10, 2000	Allotment	3,000	10.00	20.00	Cash
November 10, 2000	Transfer	(2,650)	10.00	20.00	Cash
January 5, 2001	Bonus*	6,300	10.00	N.A.	N.A.
January 5, 2001	Sub-Division <sup>#</sup>	33,250	2.00	N.A.	N.A.
July 18, 2005	Transfer	75,000	2.00	1.20	Cash
January 18, 2006	Transfer	63,650	2.00	7.07	Cash
January 30, 2006	Consolidation <sup>@</sup>	34,380	10.00	N.A.	N.A.
January 30, 2006	Bonus <sup>^</sup>	34,380	10.00	N.A.	N.A.
August 26, 2013	Allotment under ESOP Plan	25,000	10.00	120.70	Cash
September 27, 2013	Sale <sup>1</sup>	500	10.00	293.00	Cash
October 28, 2013	Sale <sup>1</sup>	5,000	10.00	329.00	Cash
February 28, 2014	Sub-Division <sup>5</sup>	882,600	1.00	N.A.	N.A.
June 06, 2014	Sale <sup>1</sup>	3,235	1.00	50.00	Cash
June 11, 2014	Sale <sup>1</sup>	670	1.00	51.00	Cash
July 30, 2014	Sale <sup>1</sup>	9,000	1.00	53.00	Cash
July 31, 2014	Sale <sup>1</sup>	4,225	1.00	54.63	Cash
August 01, 2014	Sale <sup>1</sup>	14,338	1.00	52.00	Cash
August 06, 2014	Sale <sup>1</sup>	544	1.00	51.50	Cash
August 08, 2014	Sale <sup>1</sup>	35,000	1.00	49.00	Cash
August 11, 2014	Sale <sup>1</sup>	11,000	1.00	51.41	Cash
August 13, 2014	Sale <sup>1</sup>	3,375	1.00	52.10	Cash
August 18, 2014	Sale <sup>1</sup>	125	1.00	51.00	Cash
August 19, 2014	Sale <sup>1</sup>	1,304	1.00	50.00	Cash
August 21, 2014	Sale <sup>1</sup>	37,000	1.00	52.03	Cash
September 08, 2014	Sale <sup>1</sup>	34,000	1.00	52.43	Cash
September 09, 2014	Sale <sup>1</sup>	3,017	1.00	53.89	Cash
September 10, 2014	Sale <sup>1</sup>	13,158	1.00	53.39	Cash
September 11, 2014	Sale <sup>1</sup>	4,000	1.00	53.19	Cash
September 16, 2014	Sale <sup>1</sup>	2,903	1.00	50.12	Cash
September 18, 2014	Sale <sup>1</sup>	6,921	1.00	50.25	Cash
September 19, 2014	Sale <sup>1</sup>	6,160	1.00	50.50	Cash
November 29, 2016	Sale <sup>2</sup>	14,806	1.00	65.00	Cash
November 30, 2016	Sale <sup>1</sup>	12,422	1.00	56.63	Cash
December 01, 2016	Sale <sup>1</sup>	22,134	1.00	56.67	Cash
February 15, 2017	Sale <sup>1</sup>	1,629	1.00	57.62	Cash
February 16, 2017	Sale <sup>1</sup>	8,031	1.00	56.48	Cash
February 17, 2017	Sale <sup>1</sup>	4,950	1.00	56.92	Cash
February 21, 2017	Sale <sup>1</sup>	16,000	1.00	57.72	Cash
February 22, 2017	Sale <sup>1</sup>	9,834	1.00	58.83	Cash
<b>Total Current Holding</b>		<b>602,819</b>			

<sup>1</sup> Sale in Open Market

<sup>2</sup> Shares tendered in the Buyback offer of R Systems International Limited

*\*In the Extraordinary General Meeting of the Company held on January 05, 2001, the shareholders approved the issuance of 3,600,000 bonus shares of ₹ 10 each in the ratio of 1:18 by way of capitalisation of accumulated profits.*

*#Upon subdivision of equity shares of Face Value of ₹ 10 each into five equity shares of ₹ 2 each approved by Shareholders at the Extra Ordinary General Meeting of the Company held on January 05, 2001.*

*@Upon consolidation of each of the five equity shares of ₹ 2 each into one equity share of ₹ 10 as approved by Shareholders at the Extra Ordinary General Meeting of the Company dated January 25, 2006. The consolidation was given effect from January 30, 2006.*

*^In the Extra Ordinary General Meeting of the Company held on January 25, 2006, the shareholders approved the issuance of 5,355,255 bonus shares of ₹ 10 each in the ratio of 1:1 by way of capitalisation of accumulated profits. The bonus was given effect from January 30, 2006.*

*§Upon Sub-division of Equity Shares of ₹ 10 each into Ten Equity Shares of ₹ 1 each approved by the Shareholders through Postal Ballot on January 14, 2014. The record date fixed for this purpose was February 28, 2014.*

- V. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- VI. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers up to their entitlement, the aggregate shareholding of the Promoters and Promoters Group after the completion of the Buyback shall become [●]% of the post-Buyback total paid-up equity share capital of the Company from 51.17% of the pre-Buyback total paid-up equity share capital of the Company, and the aggregate shareholding of the public in the Company shall become [●]% of the post-Buyback total paid-up equity share capital of the Company from 48.83% of the pre-Buyback total paid-up equity share capital of the Company.
- VII. The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.
- VIII. The debt-equity ratio after the completion of the Buyback will be within the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).
- IX. The Company shall not raise further capital for a period of one year from the closure of the Buyback except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- X. The Company shall not issue new shares or other specified securities including by way of bonus till the date of closure of the Buyback.
- XI. The Promoters shall not deal in the Equity Shares of the Company, including any inter-se transfer of Equity Shares amongst the Promoters / promoter group for the period between the date of passing of the Board resolution and the date of closure of the Buyback in accordance with the Buyback Regulations.
- XII. The Salient Financial parameters pursuant to the Buyback based on Ind - AS condensed standalone audited financial statements for the nine months period ended September 30, 2018 and for the year ended December 31, 2017 (post adoption) and the standalone audited financial statements for the year ending December 31, 2017 as prepared as per the previous GAAP, are as under:

Particulars	As at and for the nine months period ended September 30, 2018		As at and for the year ended December 31, 2017 (Ind-AS)		As at and for the year ended December 31, 2017 (I GAAP)	
	Pre-Buyback	Post-Buyback	Pre-Buyback	Post-Buyback	Pre-Buyback	Post-Buyback
Net worth (Rs. In Lakhs) <sup>(1)</sup>	25,584.96	23,186.46	24,596.03	22,197.53	24,458.92	22,060.42
Return on Net worth (excluding exceptional items) (%) <sup>(2)</sup>	7.10%	7.84%	9.43%	10.45%	9.76%	10.83%
Earnings per Equity Share						
Basic (Rs.) <sup>(3)</sup>	1.47	1.52	1.88	1.94	1.93	1.99

Diluted (Rs.) <sup>(4)</sup>	1.47	1.52	1.88	1.94	1.93	1.99
Book value per Equity Share (Rs.) <sup>(5)</sup>	20.76	19.39	19.96	18.57	19.85	18.46
P/E <sup>(6)</sup>	19.88	19.29	24.97	24.23	24.40	23.68
Debt / Equity ratio <sup>(7)</sup>	0.00*	0.00*	0.00*	0.00*	0.00*	0.00*

\* Negligible

Note:

- a. *The financial numbers for the year ended December 31, 2017 and Year to date September 30, 2018 are as per the Ind-AS. Further for the year ended December 31, 2017, December 31, 2016 and December 31, 2015, the financial numbers are as per the previous GAAP (IGAAP).*
- b. *Below are the formulae used for computation of the above ratios:*
  - (1) *Net Worth excludes revaluation reserves and miscellaneous expenditure to the extent not written off*
  - (2) *Return on Net Worth = Profit After Tax/ Net Worth (excluding revaluation reserves)*
  - (3) *Basic Earnings per Share = Profit After Tax/ weighted average Number of Shares outstanding for the period*
  - (4) *Diluted Earnings per Share = Profit After Tax/ weighted average Number of Diluted Shares outstanding for the period*
  - (5) *Book value per Share = Net Worth (excluding Revaluation Reserves)/ Number of Shares at the end of the period*
  - (6) *P/E= market price/earnings per share. (Market price per Equity Share is taken based on the average price of equity share on NSE as at September 30, 2018 and December 31, 2017 as applicable).*  
*P/E ratio for nine months period ended as at September 30, 2018 has been annualized.*
  - (7) *Debt-Equity Ratio = Total Debt/ Net Worth (excluding revaluation reserves)*
- c. *Earnings per Share and Book Value per Share post buy back has been computed after reducing proposed equity shares to be bought back from weighted average outstanding shares for the nine months period ended on September 30, 2018 and financial year ended on December 31, 2017.*

## 10. BASIS OF CALCULATING THE BUYBACK PRICE

- I. The Equity Shares of the Company are proposed to be bought back at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share.
- II. The Buyback Price of ₹ 65 (Rupees Sixty Five only) per Equity Share has been arrived at after considering various factors including, but not limited to (i) the trends in the volume weighted average prices of the Equity Shares on the Stock Exchanges where the Equity Shares are listed, (ii) the net worth of the Company, and (iii) the impact on the earnings per Equity Share.
- III. The Buyback Price represents a premium of 41.69% and 39.83% over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively for the 3 months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback and 34.93% and 34.49 % over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively for the 2 weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback.
- IV. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buyback, being January 08, 2019, was ₹ 47.75 on NSE and ₹ 47.80 on BSE.
- V. For Financial ratios and trends in the market price of the Equity Shares please refer to clause 15 & 16 of this Draft Letter of Offer respectively.

## 11. SOURCES OF FUNDS FOR THE BUY BACK

- I. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be ₹ 239,850,000 (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand only) excluding any expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors fees, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

- II. The Buyback would be financed out of free reserves and/or such other sources as may be permitted by law through “Tender Offer” route and as required by the Buyback regulations and the Companies Act, and on such terms and conditions as the Board may deem fit. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.
- III. The Company has confirmed that the funds for the Buyback will be made available out of its internal accruals and not out of funds borrowed, if any, from banks and financial institutions.

## 12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- I. In accordance with the Regulation 9(xi) of the Buyback Regulations, the Company has appointed Axis Bank Limited as the Escrow Agent for the aforementioned Buyback. The Company, the Manager to the Offer and the Escrow Agent have entered into an Escrow Agreement dated January 23, 2019 pursuant to which the Escrow Account in the name and style “RSIL BUYBACK OF EQUITY SHARES 2019-ESCROW ACCOUNT” bearing account number 919020006405390 has been opened with the Escrow Agent. The Manager has been empowered to operate the Escrow Account in accordance with the Buyback Regulations. In accordance with Regulation 9(xi) of the Buyback Regulations, the Company, on January 23, 2019, has deposited ₹ 60,000,000 (Rupees Six crores only) in the Escrow Account, which is higher than 25% of the maximum consideration payable in the Buyback (which is ₹ 239,850,000 (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand Only), and such amount does not exceed ₹ 100 crores).
- II. The Company has adequate and firm financial resources to fulfill the obligations under the Buyback and the same has been certified by **Ashish MK Sharma & Associates**, Chartered Accountants having its office at: 980/81, 2/4, First Floor, Makki Paper Market, Chawari Bazar, Delhi-110006, Membership No.: 520336), vide a certificate dated January 15, 2019.
- III. Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

## 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- I. The present capital structure of the Company as on date of the issue of this Draft Letter of Offer is as follows:

*(Rupees in lacs)*

Sr. No.	Particulars	Pre-Buyback
1	<b>Authorised Share Capital:</b>	
	206,000,000 equity shares of ₹ 1 each	2,060.00
2	<b>Issued, Subscribed and Paid-Up Capital:</b>	
	123,990,425 equity shares of ₹ 1 each fully paid-up	1,239.90
	<b>Total Paid-up Capital</b>	<b>1,239.90</b>

- II. Assuming full acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows:

*(Rupees in lacs)*

Sr. No.	Particulars	Post- Buyback
1	<b>Authorised Share Capital:</b>	
	206,000,000 equity shares of ₹ 1 each	2,060.00
2	<b>Issued, Subscribed and Paid-Up Capital:</b>	
	120,300,425 equity shares of ₹ 1 each fully paid-up	1,203.00
	<b>Total Paid-up Capital</b>	<b>1,203.00</b>

### III. Details of buy back done by the Company in the past three financial years

The Company had launched and completed a buyback of shares under the extant regulations vide its public announcement dated September 15, 2016. The details of the buyback, as disclosed in the post buy-back public announcement were as follows:

#### QUOTE

#### 1. THE BUYBACK

- 1.1. R Systems International Limited (the "Company") had announced to buy back up to 3,000,000 (Thirty Lakhs) fully paid-up equity shares of face value Re. 1 each ("Equity Shares") ("Buyback"), representing up to 2.36% of the total paid-up equity share capital of the Company, from all the fully paid-up equity shareholders/ beneficial owners of the Equity Shares of the Company as on the record date i.e. Friday, September 30, 2016 ("**Record Date**"), on a proportionate basis, through the "Tender Offer" route, at a price of Rs. 65 (Rupees Sixty Five only) per Equity Share (the "**Buyback Price**") for an aggregate amount of up to Rs. 195,000,000 (Rupees Nineteen Crores Fifty Lakhs Only) (the "**Buyback Size**"). The Buyback is in accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the "**Companies Act**"), the Buyback Regulations, Article 70 of the Articles of Association of the Company and is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/ or regulatory authority and which may be agreed to by the Board and/ or any sub-committee thereof. The Buyback Size was 9.88% of the paid-up equity share capital and free reserves as per the standalone audited balance sheet of the Company for the financial year ended December 31, 2015 (the last standalone audited balance sheet available for the financial year as on the date of the Board meeting recommending the proposal of the Buyback, held on September 14, 2016) and was within the statutory limits of 10% of the total paidup equity share capital and free reserves as per the last standalone audited financial statements of the Company for the financial year ended December 31, 2015. The Equity Shares bought back represent 2.36% of the total number of paid-up equity share capital of the Company.
- 1.2. The Buyback was implemented using the "Mechanism for acquisition of shares through Stock Exchange pursuant to tender offer under Buyback" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.
- 1.3. The tendering period for the Buyback Offer opened on Monday, November 7, 2016 and closed on Monday, November 21, 2016.

#### 2. DETAILS OF THE BUY-BACK

- 2.1. A total of 3,000,000 Equity Shares were bought back under the Buyback, at a price of Rs. 65 (Rupees Sixty Five only) per Equity Share.
- 2.2. The total amount utilised in the Buyback is Rs. 195,000,000 (Rupees Nineteen Crores Fifty Lakhs Only) excluding transaction costs, viz. brokerage, applicable taxes, such as securities transaction tax, service tax, stamp duty, etc.
- 2.3. The Registrar to the Buyback, i.e., Link Intime India Private Limited, considered a total of 694 valid applications for 48,872,532 Equity Shares in response to the Buyback offer resulting in the subscription of approximately 16.29 times of the maximum number of shares proposed to be bought back in the buyback.

#### UNQUOTE

- IV. There are no partly paid up equity shares.
- V. There are no outstanding instruments convertible into Equity Shares as on date of the issue of this Draft Letter of Offer except for 75,000 Employee Stock Options that were outstanding under R Systems International Limited Employee Stock Option Scheme 2007. It may be noted that as on date of the issue of this Draft Letter of Offer, 75,000 Employee Stock Options were outstanding under R Systems International Limited Employee Stock Option Scheme 2007.
- VI. There are no amounts under calls in arrears.

- VII. The shareholding pattern of the Company before the Buyback, i.e., as on the record date i.e. February 01, 2019 and after the Buyback (assuming full subscription of 3,690,000 shares in the Buyback), is as follows

Category of shareholder	Pre Buyback		Post Buy Back <sup>(1)</sup>	
	Number of Shares	% to the existing Equity Share Capital	Number of Shares	% to the existing Equity Share Capital
Promoters and Promoter Group	[●]	[●]	[●]	[●]
Foreign Investors (including Non Resident Indians/ FIIs/ Foreign Mutual Funds/Foreign Nationals)	[●]	[●]	[●]	[●]
Financial Institutions / Banks and Mutual Funds promoted by Banks / Institutions / NBFCs	[●]	[●]		
Others (Public, Bodies Corporate, etc.,)	[●]	[●]		
<b>Total</b>	[●]	[●]	[●]	[●]

(1) Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers of the Equity Shares upto their Buyback entitlement

- VIII. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.
- IX. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may increase to [●] from 51.17% prior to the Buyback.
- X. Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be ₹ 120,300,425 comprising 120,300,425 Equity Shares of ₹ 1/- each as more fully set out in clause 13 (II) of this Draft Letter of Offer.
- XI. No Equity Share was either purchased or sold by the Promoter and/ or Promoter Group, the directors of the Promoter and/ or Promoter Group where the Promoter/ Promoter Group is a company, and/ or persons acting in concert of the Company during twelve months preceding the date of the Public Announcement i.e. January 17, 2019 except the following:
- i. Mr. Satinder Singh Rekhi, Promoter and Managing Director of R Systems International Limited and Director of RightMatch Holding Limited

Name	Aggregate number of equity shares purchased	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Mr. Satinder Singh Rekhi.	92,888	Purchase through Open Market	35.00	August 01, 2018	34.45	August 01, 2018
	39,811		36.00	August 02, 2018	35.00	August 02, 2018
	12,967		37.00	August 06, 2018	36.65	August 06, 2018
	21,425		37.00	August 07, 2018	36.35	August 07, 2018
	18,266		37.00	August 08, 2018	36.85	August 08, 2018
	17,816		37.00	August 09, 2018	36.75	August 09, 2018
	9,493		37.00	August 10, 2018	36.90	August 10, 2018
	50,787		37.00	August 13, 2018	36.50	August 13, 2018
	15,569		37.00	August 14, 2018	36.60	August 14, 2018
	11,054		37.00	August 16, 2018	36.80	August 16, 2018
	68,720		37.00	August 17, 2018	36.85	August 17, 2018
	1,507,692	Allotment*	NA	December 21, 2018	NA	December 21, 2018



- ii. Mrs. Harpreet Rekhi, Promoter of R Systems International Limited and Director of RightMatch Holdings Ltd.

Name	Aggregate number of equity shares purchased	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Mrs. Harpreet Rekhi	1,507,692	Allotment*	NA	December 21, 2018	NA	December 21, 2018

- iii. Mr. Sartaj Singh Rekhi, member of Promoter Group of R Systems International Limited and Director of RightMatch Holdings Ltd.

Name	Aggregate number of equity shares purchased	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Mr. Sartaj Singh Rekhi	13,935,963	Allotment*	NA	December 21, 2018	NA	December 21, 2018

- iv. Mr. Ramneet Singh Rekhi, member of Promoter Group of R Systems International Limited and Director of RightMatch Holdings Ltd.

Name	Aggregate number of equity shares purchased	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Mr. Ramneet Singh Rekhi	11,898,541	Allotment*	NA	December 21, 2018	NA	December 21, 2018

- v. Mrs. Amrita Kaur Rekhi, member of Promoter Group of R Systems International Limited

Name	Aggregate number of equity shares purchased	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Mrs. Amrita Kaur Rekhi	896,465	Allotment*	NA	December 21, 2018	NA	December 21, 2018

\* On December 21, 2018, Board of Directors of R Systems allotted fully paid up equity shares at the face value of Re. 01/- each pursuant to the scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi vide order dated December 07, 2018. Please note that the Company has received in-principle listing approvals from NSE and BSE for such allotments. As on date, corporate action for credit of shares under this allotment is under process.

## 14. BRIEF INFORMATION OF THE COMPANY

### II. History of the Company

- The Company was incorporated on May 14, 1993 as "R Systems (India) Private Limited" as per Certificate of Incorporation issued by Registrar of Companies, National Capital Territory of Delhi and Haryana under the Companies Act, 1956. Pursuant to a special resolution passed by the shareholders of the Company on March 14, 2000, the Company was converted into a public limited company and consequently the name of the 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 April 13, 2000. Again, pursuant to a special resolution passed by the shareholders of the Company and the approval of the Central Government dated August 2, 2000, name of the 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 August 7, 2000. The registered office of the Company is situated at B-104A, Greater Kailash - 1, New Delhi, 110 048, India.
- The Equity Shares of Company are presently listed on the BSE (Security Code: 532735) and on NSE (Security Code: RSYSTEMS).

- c) The Company is a leading global provider of IT services and Business Process Outsourcing (BPO) services. The Company's primary focus is to provide IT services and solutions, software engineering services, technical support, customer care and other IT enabled services under the umbrella of Knowledge Services. Our services and solutions span over seven major business verticals i.e. Telecom, Media & Entertainment, Retail & E-commerce, Banking & Finance, Manufacturing & Logistics, Technology, and Healthcare & Life Sciences.
- d) The promoter of the Company includes Mr. Satinder Singh Rekhi, Mrs. Harpreet Rekhi, Satinder & Harpreet Rekhi Family Trust and RightMatch Holdings Limited. The promoter group of the Company includes, Mr. Sartaj Singh Rekhi, Mr. Ramneet Singh Rekhi, Mrs. Kuldeep Baldev Singh, Mrs. Anita Behl and Mrs. Amrita Kaur Rekhi.
- e) The Company has various subsidiaries and step down subsidiaries at various locations in United States of America, United Kingdom, Singapore, Canada, Malaysia, Hong Kong, Japan, Thailand, People's Republic of China, India, Romania, Poland, Switzerland, Moldova, Indonesia and Philippines.

### III. Growth of Business

For the financial years ended December 31, 2017, 2016 and 2015, the Company recorded total income of ₹ 27,712.59 lakhs (27,741.90 lakhs as per Ind As) ₹ 27,554.36 lakhs (including exceptional income 28,017.83 lakhs) and ₹ 29,888.33 lakhs (including exceptional income 36,369.07 lakhs) respectively, and profit after tax of ₹ 2,388.30 lakhs (2,319.60 lakhs as per Ind AS) ; ₹3,805.91 lakhs (including exceptional items, ₹ 4,121.38 lakhs) and ₹ 3,213.84 lakhs (including exceptional items, ₹ 9,064.40 lakhs) respectively on a Standalone basis.

For the nine month period ended September 30, 2018, the Company recorded total income of ₹ 23,487.66 lakhs (as per Ind AS) and profit after tax of ₹ 1,817.69 lakhs (as per Ind AS) on a Standalone basis.

### IV. The details of changes in the share capital of the Company since incorporation as certified by the Company is as follows:

S. No.	Date of Allotment / Consolidation/ Split of shares	Number of Equity Shares	Face Value Per Share (in ₹)	Issue Price Per Share (in ₹)	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
1	May 14, 1993	30	10	10.00	Cash	30	300.00
2	February 3, 1996	49,970	10	10.00	Cash	50,000	500,000.00
3	November 10, 2000	83,000	10	20.00	Cash	133,000	1,330,000.00
4	January 2, 2001	67,000	10	10,848 (approx.)	Shares Swap <sup>(1)</sup>	200,000	2,000,000.00
5	January 5, 2001	3,600,000	10	-	Bonus Shares <sup>(2)</sup>	3,800,000	38,000,000.00
6	January 5, 2001	19,000,000	2	-	Sub-division <sup>(3)</sup>	19,000,000	38,000,000.00
7	January 10, 2001	2,014,354	2	115.42	Cash	21,014,354	42,028,708.00
8	February 14, 2002	997,500	2	115.42	Cash <sup>(4)</sup>	22,011,854	44,023,708.00
9	March 4, 2002	3,596,869	2	115.42	Shares Swap <sup>(5)</sup>	25,608,723	51,217,446.00
10	December 28, 2002	1,281,364	2	115.42	Issue of shares on Merger <sup>(6)</sup>	26,890,087	53,780,174.00
11	September 10, 2004	(997,500)	2	Refer Note <sup>7</sup>	Buy Back of Shares <sup>(7)</sup>	25,892,587	51,785,174.00
12	January 25, 2006	152,224	2	42.00	Cash <sup>(8)</sup>	26,044,811	52,089,622.00
13	January 25, 2006	235,797	2	26.00	Cash <sup>(9)</sup>	26,280,608	52,561,216.00
14	January 25, 2006	50,667	2	2.00	Conversion of Warrants <sup>(10)</sup>	26,331,275	52,662,550.00
15	January 30, 2006	445,000	2	2.00	Conversion of Warrants <sup>(11)</sup>	26,776,275	53,552,550.00
16	January 30, 2006	5,355,255	10	-	Consolidation <sup>(12)</sup>	5,355,255	53,552,550.00
17	January 30, 2006	5,355,255	10	-	Bonus Shares <sup>(13)</sup>	10,710,510	107,105,100.00
18	April 20, 2006	2,825,006	10	250.00	Cash <sup>(14)</sup>	13,535,516	135,355,160.00

S. No.	Date of Allotment / Consolidation/ Split of shares	Number of Equity Shares	Face Value Per Share (in ₹)	Issue Price Per Share (in ₹)	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
19	December 27, 2006	24,390	10	105.00	Cash <sup>(15)</sup>	13,559,906	135,599,060.00
21	December 27, 2006	22,800	10	65.00	Cash <sup>(16)</sup>	13,582,706	135,827,060.00
22	August 27, 2009	(1,265,820)	10	Refer Note <sup>17</sup>	Buy Back of Shares <sup>(17)</sup>	12,316,886	123,168,860.00
23	March 02, 2012	97,220	10	120.70	Cash <sup>(18)</sup>	12,414,106	124,141,060.00
24	April 27, 2012	35,580	10	120.70	Cash <sup>(18)</sup>	12,449,686	124,496,860.00
25	August 05, 2012	28,750	10	120.70	Cash <sup>(18)</sup>	12,478,436	124,784,360.00
26	September 16, 2012	12,300	10	120.70	Cash <sup>(18)</sup>	12,490,736	124,907,360.00
27	December 24, 2012	29,972	10	120.70	Cash <sup>(18)</sup>	12,520,708	125,207,080.00
28	February 22, 2013	50,100	10	120.70	Cash <sup>(18)</sup>	12,570,808	125,708,080.00
29	May 17, 2013	62,311	10	120.70	Cash <sup>(18)</sup>	12,633,119	126,331,190.00
30	August 26, 2013	32,339	10	120.70	Cash <sup>(18)</sup>	12,665,458	126,654,580.00
31	February 28, 2014	126,654,580	1	-	Sub-division <sup>(19)</sup>	126,654,580	126,654,580.00
32	March 10, 2014	712,600	1	12.07	Cash <sup>(20)</sup>	127,367,180	127,367,180.00
33	December 10, 2014	91,400	1	12.07	Cash <sup>(20)</sup>	127,458,580	127,458,580.00
34	April 23, 2015	678,155	1	Refer Note <sup>21</sup>	Buy back of Shares <sup>(21)</sup>	126,780,425	126,780,425.00
35	June 09, 2015	90,000	1	12.07	Cash <sup>(20)</sup>	126,870,425	126,870,425.00
36	November 29, 2016	(3,000,000)	1	Refer Note <sup>22</sup>	Buyback of Shares <sup>(22)</sup>	123,870,425	123,870,425.00
37	May 04, 2017	82,500	1	12.07	Cash <sup>(20)</sup>	123,952,925	123,952,925.00
38	May 04, 2018	37,500	1	12.07	Cash <sup>(20)</sup>	123,990,425	123,990,425.00
39	December 21, 2018	29,746,353	1	N.A.	Amalgamation <sup>(23)</sup>	153,736,778	153,736,778.00
40	December 21, 2018	(29,746,353)	1	N.A.	Amalgamation <sup>(24)</sup>	123,990,425	123,990,425.00

#### Notes:

- Pursuant to the acquisition of 10,000,000 Equity Shares of R Systems Inc. by the Company, 67,000 Equity Shares of ₹ 10 each were allotted to the shareholders of R Systems Inc.
- In the Extraordinary General Meeting ("EGM") of the Company held on January 05, 2001, the shareholders approved the issuance of 3,600,000 bonus shares of ₹ 10 each in the ratio of 1:18 by way of capitalisation of accumulated profits.
- Upon subdivision of one equity shares of Face Value of ₹ 10 each to five equity shares of ₹2 each approved by Shareholders at the Extra Ordinary General Meeting of the Company dated January 05, 2001.
- The Company had instituted R Systems International Limited - Employees Stock Option Plan for issuance of 997,500 options (1 option = 1 Equity Share) to the eligible employees. For this purpose, the Company established 'R Systems International Employees Stock Option Trust' to administer the plan. Pursuant to this, the Company allotted 997,500 Equity Shares of ₹ 2 each at a premium of ₹ 113.42 per share to 'R Systems International Employees Stock Option Trust'.
- Pursuant to the Share Purchase Agreement dated February 16, 2002, the Company acquired inter alia 316,882 Equity Shares held by GE Capital Mauritius Equity Investment and 65,150 Equity Shares held by Intel Pacific, Inc. in Indus Software Private Limited . In consideration of such acquisition, the Company issued 2,983,475 Equity Shares of ₹ 2 each to GE Capital Mauritius Equity Investment and 613,394 Equity Shares of ₹ 2 each to Intel Pacific, Inc..
- Pursuant to a merger scheme approved by the Hon'ble High Court of Delhi and Hon'ble High Court of Mumbai, Indus was merged into the Company and the Company issued 1,074,542 Equity Shares of ₹ 2 each to certain individual shareholders of Indus at a swap ratio of 1:6.73965 and 206,822 Equity Shares of ₹ 2 each to Indus Software Employees Welfare Trust at a swap ratio of 1:9.41512.
- The Company bought back 997,500 Equity Shares of ₹ 2 each allotted on February 14, 2002 to 'R Systems International Employees Stock Option Trust' at a premium of ₹ 113.42 per share.

- 8 152,224 equity shares of the Company allotted to various employees of the Company pursuant to R Systems International Limited Employee Stock Option Plan 2004 of the Company at a price of ₹42 per share.
- 9 235,797 equity shares of the Company allotted to various employees of the Company pursuant to R Systems International Limited Year 2004 Employee Stock Option Plan-ECnet of the Company at a price of ₹26 per share.
- 10 Pursuant to the Shareholders Agreement dated February 16, 2002 inter alia between the Company and Intel Pacific, Inc., Intel Pacific, Inc. has assigned 50,667 warrants to Intel Capital (Mauritius) Limited vide an Assignment Letter dated January 20, 2006. Subsequent to this, Intel Capital (Mauritius) Limited has exercised the right to convert 50,667 warrants into 50,667 Equity Shares of ₹ 2 each at the price of ₹ 2 per share.
- 11 Pursuant to the Shareholders Agreement dated February 16, 2002 inter alia between the Company and GE Capital Mauritius Equity Investment, GE Capital Mauritius Equity Investment has assigned 445,000 warrants to GE Strategic Investment India vide an Assignment Letter dated January 25, 2006. Subsequent to this, GE Strategic Investment India has exercised the right to convert 445,000 warrants into 445,000 Equity Shares of ₹ 2 each at the price of ₹ 2 per share.
- 12 Upon consolidation of each of the five equity shares of ₹ 2 each into one equity share of ₹ 10 as approved by Shareholders at the Extra Ordinary General Meeting of the Company held on January 25, 2006. The Consolidation was given effect on January 30, 2006.
- 13 In the EGM of the Company held on January 25, 2006, the shareholders approved the issuance of 5,355,255 bonus shares of ₹ 10 each in the ratio of 1:1 by way of capitalisation of accumulated profits. The bonus has been given effect from January 30, 2006.
- 14 Allotment made in the initial public offer of the Company.
- 15 24,390 equity shares of the Company allotted to employees of the Company pursuant to R Systems International Limited Year 2004 Employee Stock Option Plan of the Company at an exercise price of ₹105 per share.
- 16 22,800 equity shares of the Company allotted to various employee of the Company pursuant to R Systems International Limited Year 2004 Employee Stock Option Plan-ECnet at an exercise price of ₹ 65 per share.
- 17 Company had bought back 1,265,820 equity shares through the Open Market at an average price of ₹ 63.20 per share pursuant to Board Approval dated September 07, 2008.
- 18 Allotment of Equity Shares of the Company to various employees pursuant to R Systems International Limited Employee Stock Option Scheme-2007 at an exercise price of ₹120.70 per share.
- 19 Upon Sub-division of Equity Shares of ₹10 each into ten Equity Shares of ₹ 1 each approved by Shareholders through Postal Ballot on January 14, 2014 (*as per Scrutinizer's Report dated January 13, 2014*). The record date fixed for this purpose was February 28, 2014.
- 20 Allotment of Equity Shares of the Company to various employees pursuant to R Systems International Limited Employee Stock Option Scheme-2007 at an exercise price of ₹12.07 per share.
- 21 The Company has Bought Back 678,155 equity shares from the Open Market at an average Price of ₹ 87.85 per share pursuant to Board approval dated December 20, 2014.
- 22 The Company has bought back 3,000,000 equity shares through tender offer Route for an aggregate amount of Rs. 195,000,000 pursuant to approval of Board of Directors at its meeting held on September 14, 2016.
- 23 Allotment pursuant to Scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi vide order dated December 07, 2018. As on date corporate action for credit of shares under this allotment is under process.
- 24 Cancellation & Extinguishment of equity shares pursuant to Scheme of Amalgamation between GM Solutions Pvt. Ltd. and R Systems International Limited and their respective Shareholders and Creditors as approved by National Company Law Tribunal, New Delhi vide order dated December 07, 2018. As on date corporate action for debit of shares under this extinguishment is under process.

V. The Details of the Board of Directors of the Company as on date of publication of Public Announcement i.e. January 17, 2019 are as follows:

S. no.	Name of the Director	Designation	Qualification	Occupation	Date of Appointment	Directorship in other Companies
1	Mr. Satinder Singh Rekhi  DIN - 00006955	Managing Director	Bachelor of Technology From IIT, Kharagpur And Masters in Business Administration	Business	14-May-93	<ol style="list-style-type: none"> <li>1. R Systems, Inc. (U.S.A.)</li> <li>2. R Systems Technologies Ltd. (Formerly known as Indus Software, Inc. (U.S.A.)</li> <li>3. R Systems (Singapore) Pte., Ltd., Singapore</li> <li>4. ECnet, Inc. (U.S.A.)</li> <li>5. Computaris International Limited (U.K.)</li> <li>6. RSYS Technologies Ltd. (formerly known as Systèmes R. International Ltée, Canada)</li> <li>7. ECnet Systems (Thailand) Company Limited</li> <li>8. RightMatch Holdings Ltd. (Mauritius)</li> <li>9. IBIZ Consulting Pte. Ltd., Singapore (Formerly known as IBIZCS Group Pte. Ltd., Singapore)</li> <li>10. IBIZ Consulting Services Pte. Ltd., Singapore</li> <li>11. IBIZ Consulting Services Ltd., Hong Kong</li> </ol>
2	Lt. Gen. Baldev Singh (Retd.) DIN: 00006966	President and Senior Executive Director	Masters in Military Sciences	Service	01-Sep-97	Nil
3	Mr. Avirag Jain DIN- 00004801	Director & Chief Technology Officer	Graduate in Science and an MBA in Finance and International business from IMT, Ghaziabad. Postgraduate diploma in Cyber Law from the Asian School of Cyber Law, Pune	Service	03-Aug-17	Nil
4	Mrs. Ruchica Gupta DIN- 06912329	Non-Executive Independent Director	M. Phil. University of Delhi	Professional	07-Jul-14	BIZBOX Publishing Private Limited
5	Mr. Kapil Dhameja DIN- 02889310	Non-Executive Independent Director	B. Tech. from IIT, Delhi & PGDM (MBA) from Indian Institute of Management, Kolkata.	Business	29-Jun-16	Kapsa Wellness Private Limited

6	Mr. Aditya Wadhwa DIN-07556408	Non-Executive Independent Director	B.A. LL.B. (Hons.) NALSAR University, Hyderabad	Professional	29-Jun-16	Nil
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VI. The details of changes in the Board of Directors during the last 3 years are as under:

S. No.	Name of the Director	Designation	Details of Change	Reasons for Changes
1.	Mr. Amardeep Singh Ranghar	Non-Executive Independent Director	Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term as independent director at AGM held on June 13, 2016.
2.	Mr. Raj Kumar Gogia	Non-Executive Independent Director	Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term as independent director at AGM held on June 13, 2016.
3.	Mr. Suresh Paruthi	Non-Executive Independent Director	Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term at AGM held on June 13, 2016.
4.	Mr. Gurbax Singh Bhasin	Non-Executive Independent Director	Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term at AGM held on June 13, 2016.
5.	Mrs. Ruchica Gupta	Non-Executive Independent Director	Appointed as Independent Director on Board of Directors Meeting held on June 29, 2016. Subsequently approved by shareholders of the Company through postal ballot on September 09, 2016.	Appointed in the capacity of Independent Director.
6.	Mr. Kapil Dhameja	Non-Executive Independent Director	Appointed on June 29, 2016 as Additional Director. Subsequently approved by shareholders of the Company at the AGM of the Company held on May 15 2017	Appointed as Director in the capacity of Independent Director.
7.	Mr. Aditya Wadhwa	Non-Executive Independent Director	Appointed on June 29, 2016 as Additional Director. Subsequently approved by shareholders of the Company at the AGM of the Company held on May 15 2017.	Appointed as Director in the capacity of Independent Director.
8.	Mr. Avirag Jain	Director & Chief Technology Officer	Appointed on August 03, 2017 as Additional Director and Whole-Time Director (Designated as Director & Chief Technology Officer). Subsequently approved by shareholders at the AGM of the Company held on May 25 2018	Appointed on August 03, 2017 as Additional Director and Whole-Time Director (Designated as Director & Chief Technology Officer) of the Company for a period of three years w.e.f. August 03, 2017,

9.	Lt .Gen. Baldev Singh (Retd.)	President & Senior Executive Director	Reappointed as President & Senior Executive Director for a period of three years w.e.f April 01, 2018 pursuant to approval of shareholders accorded at the AGM of the Company held on May 25, 2018	Reappointed as President & Senior Executive Director
10.	Mr. Satinder Singh Rekhi	Managing Director	Reappointed as Managing Director for a period of five years w.e.f. January 01, 2019 pursuant to approval of shareholders accorded by way of Postal ballot on December 19, 2018	Reappointed as Managing Director

- VII. The Buyback will not result in any benefit to any Directors of the Company/ Promoters and Promoter Group/ Person Acting in Concert of the Company/ group companies except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which may lead to a reduction in the equity share capital post Buyback.

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

- I. The salient financial information of the Company as extracted from the Ind-AS condensed standalone audited financial statements for the nine months period ended September 30, 2018 and for the year ended December 31, 2017 (Post Adoption of Ind-AS) and the standalone audited financial statements for the year ending December 31, 2017, December 31, 2016 and December 31, 2015, respectively, as prepared as per the previous GAAP, are as under:

*Rupees in lakhs, unless otherwise stated*

Particulars	9 month Period ended	Year Ended			
	Sep 30, 2018 (Audited) (Ind As)	December 31, 2017 (Audited) (Ind As)	December 31, 2017 (Audited) (I GAAP)	December 31, 2016 (Audited) (I GAAP)	December 31, 2015 (Audited) (I GAAP)
Total Income #	23,487.66	27,741.90	27,712.59	27,554.36	29,888.33
Total Expenses #	20,841.28	23,508.44	23,379.23	21,173.85	23,610.06
Interest	18.00	32.39	27.61	13.41	21.26
Depreciation	544.04	737.38	737.38	693.03	958.12
Profit before tax#	2,084.34	3,463.69	3,568.37	5,674.07	5,298.89
Provision for tax (including Deferred Tax)	266.64	1,144.09	1,180.07	1,868.15	2,085.04
Profit/ (Loss) after tax#	1,817.70	2,319.60	2,388.30	3,805.92	3,213.85
Equity Share Capital	1,232.51	1,232.14	1,232.14	1,231.31	1,261.31
Reserves & Surplus*	24,352.44	23,363.89	23,226.78	20,803.20	18,575.93
Net worth*	25,584.95	24,596.03	24,458.92	22,034.51	19,837.24
Total debt (excluding working capital loans)	76.70	95.66	95.66	134.42	115.75

# Figures for the financial year ended December 31, 2016 and December 31, 2015 are excluding exceptional items.

*\*Excluding revaluation reserves and miscellaneous expenditure to the extent not written off*

## II. Key financial ratios:

Particulars	9 month Period ended	Year Ended			
	Sep 30, 2018 (Audited) (Ind as)*	December 31, 2017 (Audited) (Ind as)	December 31, 2017 (Audited) (I GAAP)	December 31, 2016 (Audited) (I GAAP)	December 31, 2015 (Audited) (I GAAP)
Key Ratios					
<b>Earnings per Share:</b>					
– Basic (RS.) <sup>(1)</sup>	1.47	1.88	1.93	3.26	7.14
– Diluted (RS.) <sup>(2)</sup>	1.47	1.88	1.93	3.25	7.14
<b>Earnings per Share (excluding exceptional Income) :</b>					
– Basic (RS.) <sup>(1)</sup>	1.47	1.88	1.93	3.01	2.53
– Diluted (RS.) <sup>(2)</sup>	1.47	1.88	1.93	3.01	2.53
Book Value per Share – Basic (RS.) <sup>(3)</sup>	20.75	19.94	19.85	17.90	15.73
Return on Net Worth <sup>(4)</sup>	7.10%	9.43%	9.76%	18.70%	45.69%
Return on Net worth (excluding exceptional items) <sup>(4)</sup>	7.10%	9.43%	9.76%	17.27%	16.20%
Debt-Equity Ratio <sup>(5)</sup>	0.00**	0.00**	0.00**	0.01	0.01
Total Debt/ Net worth <sup>(6)</sup>	0.00**	0.00**	0.00**	0.01	0.01

\* Not annualized

\*\* Negligible

*Note:*

- The financial numbers for the year ended December 31, 2017 and Year to date September 30, 2018 are as per the Ind-AS. Further for the year ended Dec 31, 2017, Dec 31, 2016 and Dec 31, 2015, the financial numbers are as per the previous gaap (IGAAP).
- Below are the formulae used for computation of the above ratios:*
  - Basic Earnings per Share = Profit After Tax/ weighted average Number of Shares outstanding for the period
  - Diluted Earnings per Share = Profit After Tax/ weighted average Number of Diluted Shares outstanding for the period
  - Book value per Share = Net Worth (excluding Revaluation Reserves)/ Number of Shares at the end of the period
  - Return on Net Worth = Profit After Tax/ Net Worth (excluding revaluation reserves)
  - Debt-Equity Ratio = Total Debt/ Net Worth (excluding revaluation reserves)
  - Total Debt/ Net Worth = Total Debt/ Net Worth (excluding revaluation reserves)

- The debt equity ratio of the Company post Buyback shall be compliant with the permissible limit under the Companies Act. Relevant financial parameters consequent to the Buyback based on the standalone audited financial statements as on December 31, 2017, of the Company are as under:

Particulars	IGAAP		Ind AS	
Financial Parameters (based upon audited results for the fiscal ended December 31, 2017)	Pre Buyback	Post Buyback	Pre Buyback	Post Buyback
Net Worth	24,458.92	22,060.42	24,596.03	22,197.53



Total Debt	95.66	95.66	95.66	95.66
Total Debt / Equity Ratio (Total Debt / Net worth)	0.0039	0.0043	0.0039	0.0043

Note:

- For the above purpose, "Networth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited standalone balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Pre and post Buyback calculations are based on audited standalone financials as on December 31, 2017. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full Acceptance) without factoring in any impact on the profit & loss account.
- Total debt / equity Ratio is calculated as total debt divided by Networth (excluding revaluation reserves).

- The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, wherever and if applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 and other applicable provisions of the Companies Act, 2013.

## 16. STOCK MARKET DATA

- The Equity Shares are currently listed and traded only on BSE and NSE.
- The high, low and average market prices in preceding three calendar years and the monthly high, low and average market prices for the six months preceding the date of publication of Public Announcement and the corresponding volumes on NSE (stock exchange with higher traded volume of Company's Equity Shares over past six months from the date of the Public Announcement) are as follows:

Period	High Price (₹)	Date of High Price & Number of shares traded on that date	Low Price (₹)	Date of Low Price & Number of shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of shares)
<b>PRECEDING 3 YEARS</b>						
Jan 18- Dec 18	52.20	29-Nov-18 [179,630]	25.00	3-Jul-18 [28,633]	38.95	11,978,316
Jan 17- Dec 17	63.00	5-Jan-17 [187,780]	35.00	11-Aug-17 [30,412]	45.99	13,420,052
Jan 16- Dec 16	78.75	6-Jan-16 [57,550]	45.15	9-Nov-16 [21,948]	58.55	9,943,289
<b>PRECEDING 6 MONTHS</b>						
Dec-18	50.90	31-Dec-18 [7,389]	46.50	10-Dec-18 [40,729]	47.97	286,185
Nov-18	52.20	29-Nov-18 [179,630]	43.10	1-Nov-18 [751,392]	47.95	1,756,730
Oct-18	46.25	31-Oct-18 [456,836]	36.00*	26-Oct-18 [19,687]	38.78	870,642
Sep-18	44.40	10-Sep-18 [77,909]	38.00	28-Sep-18 [17,423]	40.96	863,909
Aug-18	42.40	23-Aug-18 [139,822]	32.50	1-Aug-18 [178,747]	38.29	1,223,632
Jul-18	36.35	30-Jul-18 [221,718]	25.00	3-Jul-18 [28,633]	28.69	1,559,402

Source: nseindia.com

**Note:** High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.

\*The lowest price also appeared on 25-Oct-18 and 23-Oct-18 with 13,316 and 6,554 Equity Shares traded on NSE respectively. The date considered in the table above is 26-Oct-18, since the volume traded on 26-Oct-18 at the lowest price i.e ₹ 36.00 is higher.

- III. The high, low and average market prices in preceding three calendar years and the monthly high, low and average market prices for the six months preceding the date of publication of Public Announcement and the corresponding volumes on BSE are as follows:

Period	High Price (₹)	Date of High Price & Number of shares traded on that date	Low Price (₹)	Date of Low Price & Number of shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of shares)
<b>PRECEDING 3 YEARS</b>						
Jan 18- Dec 18	54.55	22-Nov-18 [33,545]	24.20	24-Jul-18 [4,868]	38.95	2,957,511
Jan 17- Dec 17	63.50	9-Feb-17 [9,557]	35.00	6-Sep-17 [62,971]	46.03	3,449,827
Jan 16- Dec 16	79.00	06-Jan-16 [11,895]	47.00	24-Jun-16 [7,613]	58.53	2,952,008
<b>PRECEDING 6 MONTHS</b>						
Dec-18	50.01	31-Dec-18 [5,491]	42.00	13-Dec-18 [638]	48.00	88,727
Nov-18	54.55	22-Nov-18 [33,545]	43.55	28-Nov-18 [1,184]	47.92	350,495
Oct-18	46.10	31-Oct-18 [71,530]	30.60	30-Oct-18 [1,984]	38.68	141,174
Sep-18	44.30	10-Sep-18 [7,458]	34.45	24-Sep-18 [6,865]	40.81	81,864
Aug-18	42.60	23-Aug-18 [14,949]	31.65	1-Aug-18 [57,528]	38.38	187,287
Jul-18	36.70	30-Jul-18 [49,899]	24.20	24-Jul-18 [4,868]	28.75	446,531

Source: bseindia.com

Note: High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.

- IV. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for approving the Buyback, being January 08, 2019, was Rs. 47.75 on NSE and Rs. 47.80 on BSE. The closing market price of the Equity Shares one working day prior to the date of the Board Meeting for approving the Buyback, being January 07, 2019 was Rs. 47.60 on NSE and Rs. 47.75 on BSE.

## 17. DETAILS OF THE STATUTORY APPROVALS

- I. The Buyback is subject to approvals, if any, required under the provisions of the Companies Act, the Buyback Regulations, SEBI, and applicable rules and regulations as specified by RBI under FEMA and/ or such other applicable rules and regulations for the time being in force. As on date, there are no other statutory or regulatory approvals required to implement the Buyback other than those indicated above.
- II. Buyback from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Indians ("NRI") and erstwhile Overseas Corporate Bodies ("OCB") must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such non-resident shareholders, NRI, OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender Equity Shares in the buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Sellers in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Sellers in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted. By agreeing to participate in the Buyback, the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company
- III. If any statutory or regulatory approvals become applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory/ regulatory approvals are delayed, changes to the proposed timetable of the Buyback, if any, shall be intimated to BSE and NSE.

## 18. DETAILS OF THE REGISTRAR TO THE BUY BACK AND COLLECTION CENTRES

- I. **Registrar to the Buyback**  
**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai 400 083, Maharashtra, India  
Telephone: +91 22 4918 6200  
Facsimile: +91 22 4918 6195  
Email: [rsystems.buyback2019@linkintime.co.in](mailto:rsystems.buyback2019@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Contact Person: Mr. Sumeet Deshpande  
SEBI registration number : INR000004058  
CIN: U67190MH1999PTC118368

In case of any query, the Shareholders may contact the Registrar to the Buyback, from Monday to Friday between 10:00 am to 5:00 pm on all working days except public holidays at the above-mentioned address.

## II. Collection Centres:

Eligible Sellers are requested to submit their Form(s) and requisite documents either by registered post/ courier to the Registrar to the Buyback, super scribing the envelope as “**R Systems International Limited Buyback Offer 2019**”, or hand deliver the same to the head office of the Registrar.

**ELIGIBLE SELLERS ARE REQUESTED TO NOTE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK**

## 19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- I. The Company proposes to Buyback not exceeding 3,690,000 fully paid-up Equity Shares from the Equity Shareholders as on the Record Date, on a proportionate basis, through the tender offer route at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share, payable in cash for an aggregate amount of ₹ 239,850,000 (Rupees Twenty Three Crores Ninety Eight Lakhs Fifty Thousand only). The maximum number of Equity Shares proposed to be bought back represents 2.98% of the total paid-up equity share capital of the Company as at December 31, 2017. The Buyback is in accordance with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Companies Act and in accordance with Article 70 of the Articles of Association of the Company and subject to Regulation 4(iv) and other applicable provisions contained in the Buyback Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and/ or regulatory authorities, including but not limited to SEBI, and the RBI. The Buyback Size is 9.87% of the fully paid-up equity share capital and free reserves as per the latest audited standalone balance sheet of the Company for the financial year ended December 31, 2017.
- II. The aggregate shareholding of the Promoter and Promoter Group as at the date of the Public Announcement is 63,445,830 Equity Shares which represents 51.17% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated January 15, 2019, to participate in the Buyback and offer up to an aggregate maximum number of 21,800,000 Equity Shares and some of the Persons acting in concert have expressed their intention vide their letters dated January 15, 2019 to participate in the Buyback and offer up to an aggregate maximum number of 400,000 Equity Shares, and hence a total of Promoter and Promoter Group and Person Acting in Concert will offer in aggregate maximum number of 22,200,000 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/terms of the Buyback.
- III. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may increase to [●]% from 51.17% prior to the Buyback.
- IV. **Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**
  - a. The Board in its meeting held on January 15, 2019 announced Friday, February 01, 2019 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buyback.

- b. The Equity Shares to be bought back as a part of this Buyback are divided into two categories:
- i. Reserved category for Small Shareholders ("Reserved Category"); and
  - ii. General Category for other Eligible Sellers ("General Category").
- c. As defined in the Buyback Regulations, Small Shareholder includes a shareholder, who holds shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than Two Lakh Rupees. As on Record Date, the closing price on [●] was [●]; Accordingly all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as "Small Shareholders" for the purpose of the Buyback Offer.
- d. Based on the above definition, there are [●] Small Shareholders in the Company with aggregate shareholding of [●] Equity Shares as on the Record Date, which constitutes [●]% of the outstanding number of Equity Shares of the Company and [●]% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buyback.
- e. In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- (i) Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 3,690,000 Equity Shares which works out to 5,53,500 Equity Shares; or
  - (ii) The number of Equity Shares entitled as per their shareholding as on Record Date i.e.  $(\frac{[●]}{[●]}) \times [●]$  which works out to be [●] Equity Shares.
1. All the outstanding fully paid-up Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group also intend to offer Equity Shares held by them in the Buyback.
  2. Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [●] (Rounded off) fully paid-up Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Equity Shareholders shall consist of [●] Equity Shares.
- f. Based on the above Buyback Entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.
General category for all other Equity Shareholders	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.

#### V. Fractional Entitlements:

If the Buyback Entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Sellers.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

#### VI. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in the DLOF, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- b) Post the acceptance as described in Clause 19. (VI) (a) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and one share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in Clause 19. (VI) (a) and 19. (VI) (b) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buyback Regulations, i.e. valid Acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with clause 19. (VI) (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate Acceptance, as described in Clause 19. (VI) (c) above:
  - (i) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (ii) For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

## **VII. Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in the DLOF, the Company will accept the Equity Shares tendered in the Buyback by all other Eligible Sellers in the General Category in the following order of priority:

- a) Acceptance of 100% Equity Shares from other Eligible Sellers in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- b) Post the Acceptance as described in Clause 19 (VII) (a) above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Sellers over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Sellers divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance as described in Clause 19. (VII) (a) and (b) above:
  - (i) For any Eligible Seller, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (ii) For any Eligible Seller if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

## **VIII. Basis of Acceptance of Equity Shares between Categories**

- a) In case there are any Equity Shares left to be bought back in one category ("Partially filled Category") after Acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately, i.e. valid Acceptances per Eligible Seller shall be equal to the additional outstanding Equity Shares validly tendered by an Eligible Seller in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the partially filled category.
- b) If the Partially filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Equity Share has been accepted in accordance with clause 19. (VI) (b) shall be reduced by one.
- c) Adjustment for fraction results in case of proportionate Acceptance, as defined in clause 19. (VII) (a) and (b) above:
  - i. For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - ii. For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

## **IX. For avoidance of doubt, it is clarified that:**

- a) the Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with clauses above, shall not exceed the number of Equity Shares tendered by the respective Eligible Seller;
- b) the Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with clauses above, shall not exceed the number of Equity Shares held by respective Eligible Seller as on the Record Date; and
- c) the Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the clauses above.

## **X. Clubbing of Entitlement**

In accordance with Regulation 9(ix) of Buyback Regulations, in order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company shall club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/trusts and insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar and Transfer Agent as per the shareholder records received from the depositories.

## **20. PROCEDURE FOR TENDER/ OFFER AND SETTLEMENT**

- I. The Buyback is open to all Eligible Sellers who hold Equity Shares either in physical form or dematerialized form. The Company proposes to effect the Buyback through a Tender Offer, on a proportionate basis. The Letter of Offer

and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to Eligible Shareholders. The Letter of Offer, shall be sent through electronic means to Eligible Shareholder(s) who have registered their email ids with the depositories / the Company, and for those Eligible Seller(s) who have not registered their email ids with the depositories / the Company, the Letter of Offer shall be dispatched through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure mentioned in Paragraph 20.

- II. The Company will not accept any Equity Shares offered in the Buyback where the title of shares is under dispute or which are under any restraint order of a court or such similar authority for transfer/sale of such Equity Shares or where loss of share certificates(s) has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise. In accordance with Regulation 24(v) of the Buyback Regulations, the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or until such Equity Shares become transferable. The Company shall accept all the Equity Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- III. An unregistered shareholder may also tender his shares for Buyback by submitting the duly executed transfer deed for transfer of shares, purchased prior to Record Date, in his name, along with the offer form, copy of his PAN card and of the person from whom he has purchased shares and other relevant documents as required for transfer, if any.
- IV. Eligible Shareholders will have to transfer their Equity Shares from the same demat account in which they were holding such Equity Shares as on the Record Date, and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Sellers should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback.
- V. As disclosed in Paragraph 19 (Process and Methodology of Buyback) above, the Equity Shares proposed to be bought as a part of the Buyback are divided into 2 (two) categories; (i) Reserved Category for Small Shareholders, and (ii) the General Category for other Eligible Sellers; and the Buyback Entitlement of an Eligible Sellers in each category shall be calculated accordingly.
- VI. After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Sellers in that category, and thereafter, from Eligible Sellers who have tendered over and above their Buyback Entitlement, in any other category.
- VII. Eligible Sellers' participation in the Buyback is voluntary. Eligible Sellers may choose to participate, in part or in full, and receive cash in lieu of the Equity Shares accepted under the Buyback, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buyback, without any additional investment. Eligible Sellers may also tender a part of their Buyback Entitlement. Eligible Sellers also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement but not more than their shareholding as on Record Date) and participate in the shortfall created due to non-participation of some other Eligible Sellers, if any. The Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Seller shall be in terms of procedure outlined herein.
- VIII. The maximum tender under the Buyback by an Eligible Seller cannot exceed the number of Equity Shares held by such Eligible Seller as on the Record Date.
- IX. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" pursuant to the SEBI Circulars, and following the procedure prescribed in the Act, the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

**THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.**

- X. In case of non-receipt of the Letter of Offer and the Tender Form:
- i) In case the Eligible Shareholder holds Equity Shares in dematerialised form: If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company i.e. [www.tatainvestment.com](http://www.tatainvestment.com), or by providing his / her / its application in writing on a plain paper, signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
  - ii) In case the Eligible Seller holds Equity Shares in physical form: An Eligible Seller may participate in the Buyback by providing his / her / its application in writing on a plain paper signed by all Eligible Sellers (in case of joint holding) stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Seller's PAN card(s) and executed share transfer form duly witnessed in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback not later than 2 (two) days from the Buyback Closing Date i.e. [●] (by 5 p.m.). If the signature(s) of the Eligible Sellers provided in the plain paper application/Transfer Form-SH4 differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such Tender Forms are liable to be rejected under this Buyback.
- XI. Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Selling Member(s) (along with the complete set of documents for verification procedures in case of Equity Shares held in physical form) and have to ensure that their bid is entered by their respective Selling Member(s) in the electronic platform to be made available by BSE before the Buyback Closing Date. The Company shall accept Equity Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Seller(s) who intend to participate in the Buyback using the "plain paper" option as mentioned above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.
- XII. The acceptance of the Buyback made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Equity Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- XIII. For implementation of the Buyback, the Company has appointed Motilal Oswal Financial Services Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:
- Motilal Oswal Financial Services Limited;**  
 Motilal Oswal Tower, Rahimtullah Sayani Road,  
 Opposite Parel S.T. Bus Depot,  
 Prabhadevi - Mumbai - 400 025  
 Contact Person: Krishna Sharma;  
 Contact Number: +91 2271985473;  
 Email: [ksharma@motilaloswal.com](mailto:ksharma@motilaloswal.com)  
 CIN : L67190MH2005PLC153397  
 SEBI Registration No: INZ000158836
- XIV. BSE has been appointed to provide a separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Eligible Sellers who wish to tender their Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time.
- XV. In the event Selling Member of any Eligible Shareholder is not registered with BSE trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code ("UCC") facility through that BSE registered stock broker (after submitting all details as may be required



- by such BSE registered stock broker in compliance with applicable law). In case the Eligible Seller is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, viz. Motilal Oswal Financial Services Limited, to register himself by using quick UCC facility.
- XVI. All Eligible Sellers, through their respective Selling Member(s) will be eligible and responsible to place orders in the Acquisition Window.
- XVII. All Eligible Sellers can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
- XVIII. At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Equity Shares shall be placed by the Eligible Sellers through their respective Selling Member(s) during normal trading hours of the secondary market.
- XIX. Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period. Multiple bids made by a single Eligible Seller for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- XX. The cumulative quantity tendered shall be made available on BSE's website. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, throughout the Tendering Period, and will be updated at specific intervals during the Tendering Period.
- XXI. All documents sent by the Eligible Sellers will be at their own risk. Eligible Sellers are advised to adequately safeguard their interests in this regard.
- XXII. **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form:**
- a) Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
  - b) The Eligible Seller/ Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation (ICCL) for the transfer of the Equity Shares to the special account of Clearing Corporation before placing the bids/ orders and the same shall be validated at the of order entry.
  - c) The details of the special account of Clearing Corporation shall be informed in issue opening circular that will be issued by BSE/ Clearing Corporation.
  - d) For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
  - e) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
  - f) Eligible Sellers who have tendered their Equity Shares in the Buyback can 'hand deliver' Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in same order in which they hold the Equity Shares, along with (i) the TRS generated by the exchange bidding system at the head-office (mentioned in clause 18 of this Draft Letter of Offer) of Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buyback Offer, may send the same by registered post/ speed post, at their own risk, superscribing the envelope as "R Systems International Limited Buyback Offer", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this DLOF, so that the same are received not later than 2 (two) days from the Closing Date i.e. [●], 2019 (by 5 PM).
  - g) All the Eligible Sellers shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
    - i. Duly attested power of attorney, if any person other than the Eligible Seller has signed the Tender Form;

- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Seller has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- h) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
- i) The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company.

**XXIII. Procedure to be followed by Registered Equity Shareholders holding Equity Shares in physical form:**

- a) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Selling Member(s) along with the complete set of documents for verification procedures to be carried out including the (i) original Equity Share certificate(s), (ii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Sellers in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Seller's PAN Card, (iv) the Tender Form (duly signed by all Eligible Shareholders in case the Equity Shares are in joint names) the same order in which they hold Equity Shares, and (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Seller would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- b) Based on the documents as mentioned in paragraph XXIII .a. herein above, the concerned Selling Member shall place the bid on behalf of Eligible Shareholders holding Equity Shares in physical form using the Acquisition Window of BSE. Upon placing the bid, the Selling Member shall provide a TRS generated by the exchange bidding system to the Eligible Seller. The TRS will contain the details of order submitted like folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc
- c) The Selling Member / Eligible Shareholder is required to deliver the original Equity Share certificate(s) and documents (as mentioned in Paragraph 20) along with TRS either by registered/speed post or courier or hand delivery to Registrar to the Buyback, at its office/collection centres provided in Paragraph 18 herein above, within 2 (two) days of bidding by Selling Member. The envelope should be super scribed as **"R Systems International Limited Buyback Offer"**. One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Selling Member / Eligible Seller
- d) Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar to the Buyback confirms the bids it will be treated as 'Confirmed Bids'
- e) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Sellers tender Equity Shares but the Registrar to the Buyback does not receive the Equity Share

- certificate(s); (iv) In case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company / Registrar of the Company(v) In case the Form SH-4 is not witnessed
- f) In case any Eligible Seller has submitted Equity Shares in physical form for dematerialization, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date

**XXIV. For Equity Shares held by Eligible Sellers, being Non-Resident Shareholders of Equity Shares (Read with clause 17 “DETAILS OF THE STATUTORY APPROVALS”):**

- a) Eligible Sellers, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- b) In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Seller shall obtain and enclose a letter from its authorized dealer/ bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the non-resident Eligible Seller from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Eligible Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Seller shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback.
- c) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

**XXV. Acceptance of orders**

The Registrar to the Buyback shall provide details of order acceptance to Clearing Corporation within specified timelines

**XXVI. Method of Settlement**

- i. Upon finalization of the basis of acceptance as per Buyback Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- ii. The Company will transfer the consideration pertaining to the Buyback to the Clearing Corporation’s bank account through the Company’s Broker as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Sellers’ bank account linked to its demat account. If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the RBI or relevant Bank, due to any reasons, then the amount payable to the Eligible Sellers will be transferred to the concerned Seller Members’ for onward transfer to the such Eligible Seller holding Equity Shares in dematerialized form.
- iii. In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member’s settlement accounts for releasing the same to the respective Eligible Seller’s account. For this purpose, the client type details would be collected from the depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by BSE and the Clearing Corporation from time to time.
- iv. For the Eligible Sellers holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member’s settlement accounts for releasing the same to the respective Eligible Seller’s account.
- v. The Equity Shares bought back in the dematerialized form would be transferred directly to the escrow account of the Company (“Company Demat Escrow Account”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- vi. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Sellers would be transferred by the Clearing Corporation directly to the respective Eligible Seller’s DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member’s depository pool account for onward transfer to the respective Eligible Seller.
- vii. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Sellers holding Equity Shares in the physical form.

- viii. The Seller Member would issue contract note for the Equity Shares accepted under the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- ix. Equity Shareholders who intend to participate in the Buyback should consult their respective Selling Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Member upon the selling Eligible Seller for tendering Equity Shares in the Buyback (secondary market transaction). The Manager to the Buyback and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Selling Member, and such costs will be incurred solely by the Eligible Sellers.
- x. The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

## **XXVII. Rejection Criteria**

The Equity Shares tendered by Eligible Sellers would be liable to be rejected on the following grounds. For Eligible Sellers holding shares in the dematerialized form if:

- a. The Shareholder is not a Eligible Seller of the Company as on the Record Date;

For Eligible Sellers holding Equity Shares in the physical form if:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●](by 5.p.m.);
- b. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers;
- d. If the Eligible Sellers bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.
- f. If the Share Transfer Form –SH4 is not witnessed
- g. Where there exist any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity shares is under dispute or otherwise not clear or where any other restraint subsists

## **XXVIII. In case of non-receipt of the Draft Letter of Offer:**

- a) In case the Equity Shares are in dematerialised form: An Eligible Seller may participate in the Offer by downloading the Tender Form from the website of the Company i.e. [www.rsystems.com](http://www.rsystems.com) or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- b) In case the Equity Shares are in physical form: An Eligible Seller may participate in the Offer by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website [www.rsystems.com](http://www.rsystems.com). Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in clause 20. (XIX) (a) above), reach the collection centres not later than 2 (two) days from the Closing Date i.e [●], 2019 (by 5 PM). If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.
- c) Please note that Eligible Seller(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.

- d) The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Seller(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

XXIX. Non-receipt of this Draft Letter of Offer by, or accidental omission to dispatch this Draft Letter of Offer to any Eligible Seller, shall not invalidate the Buyback Offer in any way.

XXX. The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

XXXI. Equity Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Equity Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Equity Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, applicable taxes, charges and expenses (including brokerage) incurred solely by the selling Shareholders

XXXII. The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

## **21. NOTE ON TAXATION**

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.**

**IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

**THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF LISTED EQUITY SHARES THROUGH TENDER OFFER ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

### **I. GENERAL**

- A. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 following March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 ("the Income Tax Act").
- B. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since R Systems International Limited is incorporated in India, the shares of the Company would be "situated" in India and any gains arising to a non-resident on transfer of such shares would be taxable in India under the Income Tax Act. Further, the non-resident can avail the beneficial provisions of the Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions including non- applicability of General

Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

- C. The Income Tax Act also provides for different tax regimes / rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buyback of equity shares listed on the stock exchange is set out below. All references to equity shares in this note refer to listed equity shares unless stated otherwise.

## **II. CLASSIFICATION OF SHAREHOLDERS**

Shareholders can be classified under the following categories:

- A. Resident Shareholders being:
- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
  - Others
- B. Non Resident Shareholders being:
- Non Resident Indians (NRIs)
  - Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
  - Others:
    - Company
    - Other than Company

## **III. CLASSIFICATION OF INCOME**

Shares can be classified under the following two categories:

- A. Shares held as investment (Income from transfer taxable under the head "Capital Gains")
- B. Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains of Business or Profession", hereinafter referred to as "Business Income")

Gains arising from the transfer of shares may be treated either as "Capital Gains" or as "Business Income" for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of income arising from sale of shares has been a subject matter of litigation with the tax authorities. There have been various judicial pronouncements as to whether gains from transactions in securities should be taxed as "Business Income" or as "Capital Gains". However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Recently, the apex body of Income-tax has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months and if the taxpayer desires to treat the income arising from the transfer thereof as "Capital Gains", the same shall not be put to dispute by the Tax Officer. However, the choice on characterization, once taken by the tax payer should be consistent, and shall apply for subsequent years as well and the taxpayer shall not be allowed to opt a different / contrary stand in this regard in the subsequent years.

Further, investments by FII in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset and the transfer of such shares would be treated as "Capital Gains" under the provisions of the Income Tax Act.

### **A. SHARES HELD AS INVESTMENT**

- i. As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per computation provisions contained in section 48 of the Income Tax Act. The provisions of buyback tax on the Company under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

## ii. Period of holding

Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long term capital gain' as stated below :

- In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a 'short-term capital asset', and the gains arising therefrom shall be taxable as 'short term capital gains' ("STCG").
- Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a 'long-term capital asset', and the gains arising therefrom shall be taxable as 'long-term capital gains' ("LTCG").

## iii. Buyback of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buyback) is executed through a recognized stock exchange, they are liable to Securities Transaction Tax ("STT"). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

The taxability of buyback proceeds in the hands of the Eligible Seller should be as under:

- The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of listed equity shares on or after 1 April 2018. Section 112A of the ITA provides for taxation of income arising from the transfer of such shares, which is explained in the following paragraphs.
- The gain accrued on such equity shares till 31 January 2018 has been exempted by providing that for the purpose of computing LTCG the cost of shares acquired before 1 February 2018 shall be the higher of the following)-
  - xi. Actual cost of acquisition; or
  - xii. Lower of –
    - a) Fair market value
    - b) Full value of consideration received or accruing as a result of the transfer of the shares

Fair market value has been defined to mean the highest price of the equity share quoted on any recognized stock exchange on 31 January 2018. (the highest price of equity share of R Systems on 31 January 2018 was Rs. 43.30 (BSE) and Rs. 43.00 (NSE).
- After taking into account the exemption provided above, LTCG arising from transfer of equity shares, exceeding Rs.100,000, will be taxable at 10% without allowing the benefit of indexation.
- However, section 112A of the ITA shall not apply if such equity shares were acquired on or after 1 October 2004 and STT ('STT under Chapter VII of the Finance (No. 2) Act, 2004') was not paid. In this regard, the Central Government has issued Income tax notification No. 60/2018 [F. No. 370142/9/2017-TPL] dated 1 October 2018 providing certain situations wherein section 112A of the ITA will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:
  - a. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on a recognised stock exchange of India, was made through a preferential issue, subject to certain exceptions;
  - b. Where transaction for acquisition of existing listed equity share in a company was not entered through a recognised stock exchange of India, subject to certain exceptions;
  - c. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from a recognised stock exchange and ending on the date on which the company was again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation)

Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and any rules made there under.

- Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20%.
- However, for a resident shareholder, an option is available to pay tax on such LTCG at either 20% with indexation or 10% without indexation.
- STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the ITA. Unlike in the case of LTCG, no amendment has been made that requires payment of STT at the time equity shares are acquired for eligibility of the concessional rate of 15% on STCG.
- Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112A or 111A of the ITA. In addition to the above LTCG or STCG tax, Surcharge, Health and Education Cess are leviable (Please refer to Note 7 for rate of surcharge and cess).
- MAT @18.50% would get triggered in the hands of a resident corporate shareholder. This would however be available for offset against taxes payable by such corporate shareholder under normal provisions of Income Tax. Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. Non-resident shareholders can avail beneficial provisions of the applicable
- DTAA entered into by India subject to fulfilling of the relevant conditions including non- applicability of General Anti- Avoidance Rule ("GAAR") and the documentary compliance prescribed under the ITA.
- In addition to the above, Surcharge and Health and Education Cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess).

## **B. SHARES HELD AS STOCK-IN-TRADE**

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains of Business or Profession". In such a case, the provisions of section 46A and section 48 of the Income Tax Act will not apply.

### **i. Resident Shareholders**

- a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- b) Domestic company having turnover or gross receipts not exceeding`250 crore in the previous year i.e. 2016-17 would be taxable @ 25%
- c) For persons other than stated in a) and b) above, profits would be taxable @ 30% or other applicable tax rate.

In addition to the above, Surcharge and Health and Education Cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess)

No benefit of indexation by virtue of period of holding would be available in any case.

### **ii. Non Resident Shareholders**

- a) Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement ('DTAA'), if any, entered into by India with relevant shareholder country but subject to fulfilling relevant conditions including non- applicability of General Anti- Avoidance Rule ("GAAR") and submitting/ maintaining necessary documents prescribed under the Income Tax Act.
- b) Where DTAA provisions are not applicable:
  - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
  - For foreign companies, profits would be taxed in India @ 40%.
  - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.



In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess).

#### **IV. TAX DEDUCTION AT SOURCE**

##### **A. In case of Resident Shareholders**

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to resident shareholders pursuant to the said Buyback.

##### **B. In case of Non-resident Shareholders**

In the case of a non-resident shareholder, the gains taxable under the head 'Capital Gains' (out of the consideration received from buy-back) will be subject to the provisions of Tax Deduction at Source ('TDS').

The rates of TDS applicable to Non-resident shareholders are as follows:

- i. Income classified as LTCG referred to in section 112A shall be subject to TDS at 10%
- ii. Income classified as STCG referred to in section 111A shall be subject to TDS at 15%

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore important for the non-resident shareholders to appropriately compute such gains (if any) on this transaction and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians / authorized dealers / tax advisors appropriately.

The non-resident shareholders undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to the non-resident shareholders on buyback of shares by the Company. The non-resident shareholders also undertake to provide the Company, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.

#### **V. RATE OF SURCHARGE AND CESS**

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

##### **A. Surcharge**

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crores and @ 7% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of assessee being Individual, HUF, Association or Person, Body of Individuals: Surcharge @15% (increased to 15% by Finance Act, 2016 applicable from Financial year 2016-17) is leviable where the total income exceeds ₹ 1 crore and 10% where the total income exceeds Rs.50 lakhs but upto Rs.1 crore..
- In case of Firm, Local Authority or Co-operative Societies: Surcharge @12% is leviable where the total income exceeds ₹1 crore

##### **B. Cess**

Health and Education Cess @ 4% is leviable in all cases

**The above note on taxation sets out the provisions of law in a summary manner only and is not a complete/exhaustive analysis or listing of all potential tax consequences on the disposal of equity shares under the Buyback. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.**

#### **22. DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buy Back Regulations:

The Board of Directors as on the date of passing the board resolution approving the Buyback i.e. January 15, 2019, have confirmed that:

1. there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. We have enquired into the state of affairs of the Company in relation its audited standalone financial statements as at and for the year ended December 31, 2017.
3. The amount of permissible capital payment (including security premium) towards the proposed buyback of equity shares as computed in the accompanying Statement attached herewith, is properly determined in our view in accordance with proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company for the year ended December 31, 2017.
4. The Board of Directors of the Company, in their meeting held on January 15, 2019 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated January 15, 2019.

This declaration is made and issued by the Board of Directors of the Company in terms of the resolution passed at the meeting held on January 15, 2019.

For and on behalf of the Board of Directors of R Systems International Limited,

Sd/-	Sd/-
<p><b>Satinder Singh Rekhi</b> Managing Director (Director Identification Number (DIN): 00006955)</p>	<p><b>Lt. Gen. Baldev Singh (Retd.)</b> President &amp; Senior Executive Director (Director Identification Number (DIN): 00006966)</p>

## 23. AUDITOR'S CERTIFICATE

### Quote

To,  
**The Board of Directors**  
**R SYSTEMS INTERNATIONAL LIMITED**  
 C-40, Sector-59, Noida,  
 Uttar Pradesh - 201307

**Statutory Auditor's Report relating to proposed buyback of equity shares by R SYSTEMS INTERNATIONAL LIMITED ('the Company') as required by clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) ("SEBI Buyback Regulations")**

1. This Report is issued in accordance with the terms of our engagement letter dated January 2, 2019. The Board of Directors of **R SYSTEMS INTERNATIONAL LIMITED** ("the Company") have approved a proposed buyback of Equity Shares by the Company at its meeting held on January 15, 2019 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ("Companies Act") and SEBI Buyback Regulations.
2. The accompanying Statement of permissible capital payment (including security premium) as at December 31, 2017 (enclosed as "Annexure A" hereinafter referred together as the "Statement") is prepared by the Management of the Company, which we have initialed for identification purposes only.

### **Management's Responsibility for the Statement**

3. The preparation of the Statement in accordance with proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility

includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible to ensure compliance with the other relevant provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 ("the Rules").

#### **Auditors Responsibility**

5. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance:
  - i. whether we have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended December 31, 2017.
  - ii. if the amount of permissible capital payment (including security premium) for the proposed buyback of equity shares is properly determined considering the requirements of proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act; and
  - iii. if the Board of Directors of the Company, in their meeting held on January 15, 2019 have formed the opinion, as specified in Clause (x) of Schedule I to the SEBI Buyback Regulations, as amended, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.
6. The standalone financial statements referred to in Paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated February 9, 2018. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI ("Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

#### **Opinion**

9. Based on enquiries conducted and our examination as above, we report that:
  - i) We have enquired into the state of affairs of the Company in relation its audited standalone financial statements as at and for the year ended December 31, 2017.
  - ii) The amount of permissible capital payment (including Security premium) towards the proposed buyback of equity shares as computed in the accompanying Statement attached herewith, is properly determined in our view in accordance with proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company for the year ended December 31, 2017.
  - iii) The Board of Directors of the Company, in their meeting held on January 15, 2019 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated January 15, 2019.

#### **Restriction on Use**

This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)  
Sd/-  
**JITENDRA AGARWAL**  
Partner  
(Membership No. 087104)

Place : Gurugram  
Dated : January 15, 2019

## **Annexure A**

### **Statement of permissible capital payment (including security premium) as at December 31, 2017**

The amount of permissible capital (including security premium) towards the proposed buyback of equity shares as computed in the table below is properly determined in our view in accordance with Proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act. The amount of share capital and free reserves have been extracted from the audited standalone financial statements of the Company for the year ended December 31, 2017.

Particulars as at December 31, 2017		Amount (Rs.)
<b>Paid-up Capital</b> (123,952,925 equity shares of Re. 1/-each, fully paid up)	<b>A</b>	<b>123,952,925</b>
<b>Free Reserves (as defined under Section 2(43) read with Section 68 of the Companies Act):</b>		
– Statement of profit and loss balance		1,436,769,597
– Securities Premium		714,698,699
– General reserve		153,803,868
<b>Total Free Reserves</b>	<b>B</b>	<b>2,305,272,164</b>
<b>Total Paid-up Capital and Free Reserves</b>	<b>A+B</b>	<b>2,429,225,089</b>
Maximum amount permissible under the Companies Act/ SEBI Buyback Regulations with Board of Directors approval :- 10% of total paid-up equity capital and free reserves, if the buyback is carried through tender offer route (in accordance with Chapter III of the SEBI Buyback Regulations and in accordance with proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act)		<b>242,922,509</b>
Maximum amount permitted by Board Resolution dated January 15, 2019 approving the buyback based on audited standalone financial statements for the year ended December 31, 2017		<b>239,850,000</b>

For **R SYSTEMS INTERNATIONAL LIMITED**

Signature Sd/-  
Name **Satinder Singh Rekhi**  
Designation **Managing Director**

Signature Sd/-  
Name **Lt. Gen. Baldev Singh (Retd.)**  
Designation **President & Senior Executive Director**

DIN                    **00006955**  
Date:                **January 15, 2019**

DIN                    **00006966**  
Date:                **January 15, 2019**

Unquote

#### **24. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the Corporate Office of the Company at C-40, Sector-59, NOIDA-201307, India between 11.00 a.m. and 5.00 p.m. on all working days (Monday to Friday) during the offer period:

1. Certificate of Incorporation of the Company.
2. Memorandum and Articles of Association of the Company.
3. Annual reports of the Company for the last three financial years viz. December 31, 2017, 2016 and 2015.
4. Copy of resolution passed by the Board of Directors at their meeting held on January 15, 2019 approving the proposal of the Buyback.
5. Certificate dated January 15, 2019 received from Deloitte Haskins & Sells, the Statutory Auditors of the Company, in terms of clause (xi) of to Schedule I of the Buyback Regulations.
6. Copy of Public Announcement dated January 16, 2019 published in the newspapers on January 17, 2019 regarding Buyback.
7. Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 of the Companies (Share Capital and Debentures) Rules, 2014.
8. Certificate from **Ashish MK Sharma & Associates**, Chartered Accountants, dated January 15, 2019 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Buyback Regulations.
9. Copy of Escrow Agreement dated January 23, 2019 between R Systems International Limited, Motilal Oswal Investment Advisors Limited and Axis Bank Limited.
10. SEBI comments vide letter dated [●], 2019 issued in terms of the Buyback Regulations.

#### **25. DETAILS OF THE COMPLIANCE OFFICER AND COMPANY INVESTOR RELATIONS**

**Mr. Bhasker Dubey,**  
Company Secretary and Compliance Officer,  
R Systems International Limited  
C - 40, Sector - 59, Noida, Uttar Pradesh - 201 307  
Tel. No.: +91 120-4303500 | Fax: +91 120-4082699;  
E-mail: [investors@rsystems.com](mailto:investors@rsystems.com)

Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 11.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays.

#### **26. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS**

- I. In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the investor can approach the Compliance Officer of the Manager to the Buyback and/ or Registrar to the Buyback and/ or Compliance Officer of the Company for redressal.
- II. If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, the Company or any officer

of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.

- III. The address of the concerned office of the Registrar of Companies is as follows:  
Registrar of Companies, NCT of Delhi and Haryana  
4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place,  
New Delhi – 110019, India

## 27. DETAILS OF INVESTOR SERVICE CENTRE



### **Link Intime India Private Limited**

C-101, 1st Floor, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai 400 083, Maharashtra, India  
Telephone: +91 22 4918 6200  
Facsimile: +91 22 4918 6195  
Email: [rsystems.buyback2019@linkintime.co.in](mailto:rsystems.buyback2019@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Contact Person: Mr. Sumeet Deshpande  
SEBI registration number : INR000004058  
CIN: U67190MH1999PTC118368

## 28. DETAILS OF THE MANAGER TO THE BUY BACK



### **Motilal Oswal Investment Advisors Limited**

Motilal Oswal Tower, Rahimtullah Sayani Road  
Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025  
Maharashtra, India  
**Tel:** +91 22 3846 4200 | **Fax:** +91 22 3846 4315  
**E-mail:** [rsystems.buyback2019@motilaloswal.com](mailto:rsystems.buyback2019@motilaloswal.com)  
**Investor Grievance E-mail:** [moiaplredressal@motilaloswal.com](mailto:moiaplredressal@motilaloswal.com)  
**Website:** <http://www.motilaloswalgroup.com>  
**Contact person:** Ms. Kristina Dias  
**SEBI Registration No.:** INM000011005 / Permanent  
**CIN:** U67190MH2006PLC160583

## 29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per Regulation 24(i)(a) of the Buyback Regulations, the Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on January 15, 2019.

### For and on behalf of the Board of Directors of R Systems International Limited

Sd/-

Name: Satinder Singh Rekhi  
Designation: Managing Director  
DIN: 00006955

Place: Noida (U.P.)  
Date: January 24, 2019

Sd/-

Name: Lt. Gen. Baldev Singh (Retd.)  
Designation: President & Senior  
Executive Director  
DIN:00006966

Place: Noida (U.P.)  
Date: January 24, 2019

Sd/-

Name: Bhaskar Dubey  
Designation: Company Secretary &  
Compliance Officer  
Membership No.: A33607

Place: Noida (U.P.)  
Date: January 24, 2019

### **30. OFFER FORM**

i.Tender Form (for Eligible Sellers holding Equity Shares in dematerialised form).

ii.Tender Form (for Eligible Sellers holding Equity Shares in physical form).



## TENDER FORMS

### FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

**Bid Number:**

**Date:**

BUYBACK OPENS ON		[●], 2019	
BUYBACK CLOSES ON		[●], 2019	
<b>For Registrar / Collection Centre use</b>			
Inward No.	Date	Stamp	
<b>Status (please tick appropriate box)</b>			
<input type="checkbox"/>	Individual	<input type="checkbox"/>	FII/FPI
<input type="checkbox"/>	Foreign Co	<input type="checkbox"/>	NRI/OCB
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank/FI
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/LLP
<input type="checkbox"/>	Insurance Co	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Pension/PF	<input type="checkbox"/>	Others
<b>India Tax Residency Status: Please tick appropriate box</b>			
<input type="checkbox"/>	Resident in India	<input type="checkbox"/>	Non-Resident in India
<input type="checkbox"/>	Resident of <i>(shareholder to fill in country of residence)</i>		

To,  
The Board of Directors,  
**R Systems International Limited,**  
C-40, Sector 59, Noida – 201307 (UP), India  
Dear Sirs,

**Sub: Letter of Offer dated [●], 2019 to Buyback upto 3,690,000 Equity Shares of R Systems International Limited (the “Company”) at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share (“Buyback Price”), payable in cash**

1. I / We (having read and understood the Letter of Offer dated [●], 2019) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
5. I / We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
6. I / We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/authorized dealers/tax advisors appropriately.
7. I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
8. I / We agree that the consideration for the accepted Shares will be paid to the Seller Member as per secondary market mechanism.
9. I / We agree that the excess demat Equity Shares or unaccepted demat Shares, if any, tendered would be returned to the Selling Member by Clearing Corporation in payout.
10. I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
11. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act and the Buyback Regulations.
12. Details of Equity Shares held and tendered / offered for Buyback:

	In Figures	In Words
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Number of Equity Shares held as on Record Date ([●], January [●], [●] 2019)	[●]	[●]
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)	[●]	[●]
Number of Equity Shares offered for Buyback (including Additional Shares)		

Note: Eligible Sellers also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Sellers, if any. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of Paragraphs 19 and 20 of the Draft Letter of Offer. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

**Acknowledgement Slip: R SYSTEMS INTERNATIONAL LIMITED BUY BACK OFFER 2019**

*(to be filled by the Equity Shareholder) (subject to verification)*

Folio No./DP ID		Client ID	
Received from Mr./Ms./Mrs.			
<b>Form of Acceptance-cum-Acknowledgement, Original TRS along with:</b>			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Client ID No. & DP No. for all future correspondence		Stamp of Broker	

13. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

11. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				

Telephone No. / Email ID	
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\*Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorisation should be enclosed with the application form submitted

*This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.*

#### INSTRUCTIONS

1. The Buyback will open on [●], 2019 and close on [●], 2019.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. The Equity Shares tendered in the Buyback shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the shareholder.
4. The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.

In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the Buyback by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Seller(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Equity Shares tendered for the Buyback

5. Eligible Sellers to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
6. For the procedure to be followed by Equity Shareholders for tendering in the Buyback, please refer to Clause 20 of the Letter of Offer.
7. All documents sent by Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.

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**ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:**

Investor Service Centre, R SYSTEMS INTERNATIONAL LIMITED BUY BACK OFFER 2019  
Link Intime India Private Limited, C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200 | Fax: +91 22 4918 6195 | Email: [rsystems.buyback2019@linkintime.co.in](mailto:rsystems.buyback2019@linkintime.co.in) | Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Contact Person: Mr. Sumeet Deshpande

## TENDER FORMS

### FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

**Bid Number:**

**Date:**

BUYBACK OPENS ON		[●], 2019	
BUYBACK CLOSES ON		[●], 2019	
<b>For Registrar / Collection Centre use</b>			
Inward No.	Date	Stamp	
<b>Status (please tick appropriate box)</b>			
<input type="checkbox"/> Individual	<input type="checkbox"/> FII/FPI	<input type="checkbox"/> Insurance Co	
<input type="checkbox"/> Foreign Co	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI	
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI	<input type="checkbox"/> Pension/PF	
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others	
<b>India Tax Residency Status: Please tick appropriate box</b>			
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	Resident of  <i>(shareholder to fill in country of residence)</i>	

To,  
The Board of Directors,  
**R Systems International Limited,**  
C-40, Sector 59, Noida – 201307 (UP), India  
Dear Sirs,

**Sub: Letter of Offer dated [●], 2019 to Buyback upto [●] Equity Shares of R Systems International Limited (the “Company”) at a price of ₹ [●] (Rupees Sixty Five only) per Equity Share (“Buyback Price”), payable in cash**

1. I / We (having read and understood the Letter of Offer dated [●], 2019) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
5. I / We agree that the consideration for the accepted Shares will be paid to the Seller Member as per secondary market mechanism.
6. I / We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/ authorized dealers/ tax advisors appropriately.
7. I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
8. I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
9. I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
10. I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Eligible Seller.
11. I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
12. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act and the Buyback Regulations.

13. Details of Equity Shares held and tendered / offered for Buyback

	In Figures	In Words
Number of Equity Shares held as on Record Date ([●], [●], 2019)	[●]	[●]
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)	[●]	[●]
Number of Equity Shares offered for Buyback (including Additional shares)		

Note: Eligible Sellers also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Sellers, if any. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of Paragraphs 19 and 20 of the Draft Letter of Offer. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance.

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**Acknowledgement Slip: R SYSTEMS INTERNATIONAL LIMITED BUY BACK OFFER 2019**

*(to be filled by the Equity Shareholder) (subject to verification)*

Ledger Folio No./DP ID			
Received from Mr./Ms./Mrs.			
<b>Form of Acceptance-cum-Acknowledgement, Original TRS along with:</b>			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Client ID No. & DP No. for all future correspondence		Stamp of Broker	

14. Details of Share Certificate:

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
<b>Total</b>					

15. Equity Shareholders Bank Details:

Name of the Bank	Branch and City	Account Number (indicate type of account)

16. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney		Corporate Authorization
	Succession Certificate		Permanent Account Number (PAN Card)
	Permanent Account Number (PAN Card)		TRS
	Others (please specify)		Others (please specify)

17. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

18. Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such buyback and taxable in accordance with the prevailing income tax laws in India within 7<sup>th</sup> day of the succeeding month in which the shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/ us.

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form:

1. The Buyback will open on [●], 2019 and close on [●], 2019.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. Eligible Sellers who wish to tender their Equity Shares in response to this Buyback should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before [●], 2019 by 5 PM  
(i) The relevant Tender Form duly signed (by all Eligible Sellers in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Transfer deed (Form SH 4) duly signed (by all Eligible Sellers in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
4. Eligible Sellers should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar & transfer Agent of the Company, if any person other than the Eligible Seller has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Seller is deceased; and (iii) Necessary corporate authorizations, such as Board Resolutions etc., in case of companies.
5. Eligible Sellers to whom the Buyback offer is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
6. All documents sent by the seller member/ custodian will be at their own risk and the seller member/ custodian is advised to adequately safeguard their interests in this regard. For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to clause 20 of the Letter of Offer.
7. All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other Company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
8. By agreeing to participate in the Buyback the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

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**ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:**

Investor Service Centre, R SYSTEMS INTERNATIONAL LIMITED BUY BACK OFFER 2019  
Link Intime India Private Limited, C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200 | Fax: +91 22 4918 6195 | Email: [rsystems.buyback2019@linkintime.co.in](mailto:rsystems.buyback2019@linkintime.co.in) | Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Contact Person: Mr. Sumeet Deshpande