CORRIGENDUM TO PUBLIC ANNOUNCEMENT & DETAILED PUBLIC STATEMENT
FOR THE ATTENTION OF SHAREHOLDERS OF
R SYSTEMS INTERNATIONAL LIMITED

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Cash Offer for acquisition of Equity Shares of R Systems International Limited from its shareholders under regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011 ("Open Offer")

This Corrigendum to Public Announcement & Detailed Public Statement ("**Corrigendum**") is issued to the shareholders of R Systems International Limited ("**RSIL**" or the "**Target Company**") by KJMC Corporate Advisors (India) Ltd (formerly KJMC Global Market (India) Ltd) ("**KJMC**" or "**Manager to the Offer**"), on behalf of Mr. Bhavook Tripathi ("**Acquirer**"), pursuant to and in compliance with among others SEBI (SAST) Regulations, 2011 and SEBI Observation Letter dated July 25, 2012; December 3, 2012 & December 20, 2012 in continuation of, and read in conjunction with the PA, DPS, 1st Supplemental PA, 2nd Supplemental PA and Letter of Offer to the shareholders of the Target Company. Capitalized terms used in this Corrigendum but not defined shall have the same meaning as assigned in the PA, DPS, 1st Supplemental PA, 2nd Supplemental PA & Letter of Offer.

(A) The shareholders of the Target Company are requested to note the following amendment with respect to and in connection with PA: -

1. In Point No. 2 under the heading "**Transaction which has triggered the open offer obligations (underlying transaction)**" – "None" would be replaced by "Market purchase"
2. The details as regards the "Pre Transaction shareholding" under the table dealing with "**Details of the Acquirer**" shall stand amended to read as follows: -

Details	Acquirer
Pre Transaction shareholding	
• Number	30,60,498
• % of total share capital	23.79 %

(B) The shareholders of the Target Company are requested to note the following amendments with respect to and in connection with DPS:

1) After I A. "**Acquirer**" in the DPS, the following is added as point no "A-1. Complaints against the Acquirer"

A-1 COMPLAINTS AGAINST THE ACQUIRER

(i) Various shareholders and other complainants of the Target Company have filed complaints against the Acquirer to SEBI. The Acquirer has replied to the same adequately under advise to SEBI. However, notwithstanding such response, SEBI may initiate penal action against the Acquirer under the SEBI Act, 1992 and various regulations formed thereunder. The brief details of such complaints are: -

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

(ii) As a consequence to the aforesaid complaints and also as per SEBI directions, the Acquirer has given certain undertakings and have furnished certain details to SEBI regarding disclosures in the offer documents.

(iii) In addition to the above, the said Mr. Satinder Singh Rekhi issued a letter dated 13th September, 2012 to SEBI alleging violations of Regulation 22 and the provisions with respect to "Persons Acting in Concert" of the SEBI (SAST) Regulations. Since, the aforesaid matters were pending before the SAT and subsequently being dealt with by SEBI and the final outcome/decision was yet to come, the Acquirer abstained from replying to the aforesaid letter. Further, a similar letter dated 4th September, 2012 alleging the aforesaid violations was also issued by Mr. Satinder Singh Rekhi to the Acquirer and again the same was not replied since the allegations were sub-judice before SAT.

(iv) By its letter dated 2nd May 2012, SEBI has sought certain information as follows: -

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

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

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

(c) Whether at the time of sale of shares by Mr. Bantwal on 29th July, 2011, he received funds and documentary evidence for the same.

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

(v) By its letter dated 13th February, 2012, SEBI has sought certain information as follows:

(a) Investment details of the Acquirer in other companies;

(b) Justification as to why the Offer should not be made on Regulation 4;

(c) Justification of non-applicability of Regulation 22(1);

(d) SEBI observed that the Acquirer had acquired 7.18% Equity Shares on the date of public announcement and requested confirmation as to whether the said Equity Shares have been transferred to the Acquirer's account;

(e) Whether the aforementioned Equity Shares were received in physical or demat form and if the Equity Shares were received in demat form, SEBI requested for a copy of the demat statement of the Acquirer during the month of December 2011; and

(f) SEBI requested the Acquirer to respond to the complaints received from one of the shareholders where, it has been alleged, inter-alia that the Acquirer and Mr. Bantwal have been PACs since July 2011.

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

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

(vii) Alleged violations in SEBI Observation Letter dated July 25, 2012

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

a. It has been observed from the shareholding built-up of the acquirer that he was holding 18,42,635 shares representing 14.96% of the paid up capital of the target company as on 28th July, 2011.

b. The acquirer purchased 2,71,004 shares representing 2.1% of the paid up capital of the target company on 29th July, 2011 and then sold the shares on the same day.

c. Since the acquirer crossed 15% on 29th July, 2011 itself with the aforesaid acquisition, the offer obligations were triggered on that date but the acquirer failed to make an open offer/PA.

d. Prima facie, the acquirer has, thus, violated regulation 10 read with regulation 14(1) of Takeover Regulations, 1997.

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

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

b. In terms of regulation 15(1) (c) of Takeover Regulations, 2011, the PA shall contain information pertaining to nature of the proposed acquisition. As the same was not specified, the acquirer violated provisions of regulation 15(1) (c) of Takeover Regulations, 2011.

3. Alleged violation of regulation 22(1) and 22(2) of Takeover Regulations, 2011.

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

(viii) Securities Appellate Tribunal ("SAT") proceedings

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

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

SEBI's letter dated 20th September, 2012

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

Manager's reply dated 27th September, 2012

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

SEBI's reply dated 10th October, 2012

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

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

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

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

SEBI's letter dated 3rd December, 2012

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

2) In point no I B. "**Target Company**", the table under the heading "Board of Directors of the Target Company are" would be replaced as under :

Name of the Director & DIN	Designation	Date of Appointment	Qualification	Experience
Mr. Satinder Singh Rekhi 00006955	Chairman & Managing Director	May 14, 1993	Bachelor of Technology from IIT, Kharagpur, India and Masters in Business Administration from California State University, Sacramento	Having over 28 years experience in Information Technology industry.
Lt. Gen Baldev Singh (Retd.) 00006966	President & Senior Executive Director	September 1, 1997	Master degree in Military Sciences from Madras University and two short courses in Strategic Account Management and Marketing from University of California.	Having more than 45 years of experience including handling top managerial, diplomatic and human resource development related assignments
Mr. Raj Swaminathan 00788158	Director & Chief Operating Officer	September 29, 2006	Post Graduate Diploma in Business Management from Xavier Labour Relations Institute, Jamshedpur and Bachelor of Engineering (Mechanical) from Bangalore University	Having 26 years of experience in IT and Financial Services industry.
Mr. Raj Kumar Gogia 00007364	Non-executive Independent Director	July 9, 2002	B.Tech Honors in Electrical Engineering from IIT Kharagpur	Having 48 years of experience of serving various Indian, multinational and foreign concerns.
Mr. Suresh Paruthi 00777887	Non-executive Independent Director	September 29, 2006	Bachelor of Technology (Hons.) from IIT Kharagpur and certificate course in Export Marketing from the Indian Institute of Foreign Trade, New Delhi	Having wide experience of efficiently serving various multinationals.
Mr. Gurbax Singh Bhasin 00012628	Non-executive Independent Director	December 27, 2005	Bachelor of Engineering	Having 29 years of experience in textile/ fashion apparel industry and import/ export.
Mr. Anuj Kanish 00158081	Alternate Director to Mr. Gurbax Singh Bhasin	July 28, 2012	Bachelor of Engineering (Electrical Engineering) from Delhi College of Engineering and MS (Information Systems) from University of Texas at Arlington.	Having over 16 years of experience.

3) In the 9th paragraph under the heading "**Target Company**", the percentage shareholding of the Target Company in its subsidiary ECnet Limited, Singapore, shall be substituted by "99.56%" instead of "98.59%".

4) In the 2nd paragraph under the heading "**Details of the Open Offer**", the number and percentage of equity shares, the Acquirer would hold pursuant to completion of the open offer (assuming full acceptance) be substituted by 73,31,269 & 57.10% instead of 73,34,384 & 57%.

5) 9th paragraph under the heading I C. "**Details of the Open Offer**", would be replaced as under :

"Pursuant to this Open Offer assuming full acceptances, if the public shareholding in the Target Company reduces below the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement, the Acquirer undertakes that it will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contracts (Regulation) Rules, 1957 as amended, the Listing Agreement and the Regulations 7(4) and 7(5) of the SEBI (SAST) Regulations and reduce the non-public shareholding within the time period mentioned therein."

6) In the 1st paragraph under the heading "**BACKGROUND TO THE OPEN OFFER**", the percentage of Equity Shares held by the Acquirer prior to making the Public Announcement as on 15th December, 2011 shall be substituted by "23.79%" instead of "23.82%".

7) Under the head "**SHAREHOLDING AND ACQUISITION DETAILS**", the following table shall be substituted:

Details	Original Acquirer		Revised Acquirer	
	No. of Shares	% (on fully diluted basis)	No. of Shares	% (on fully diluted basis)
Shareholding as on PA Date	30,65,000	23.82%	30,60,498	23.79%
Equity Shares to be acquired in the Open Offer (assuming full acceptance)	33,45,242	26.00%	33,38,042	26.00%
Equity Shares acquired between the PA and DPS	9,24,142	7.18%	9,24,142	7.20%
Equity Shares acquired after the DPS			8,587	0.07%
Post Offer Shareholding (*) (On Diluted basis, as on 10th working day after closing of the tendering period) (assuming full acceptance)	73,34,384	57.00%	73,31,269	57.10%

* No other person / individual / entity is acting in concert with the Acquirer for the purpose of this Open Offer in terms of the regulation 2 (1) (q) of the SEBI (SAST) Regulations.

8) The paragraphs under the heading "**OFFER PRICE**", would be replaced as follows:

1st Para:

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

3rd & 4th Para:

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

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

For further details please refer to the paragraph 6.1 of the Letter of Offer."

9) The paragraphs under the heading "**FINANCIAL ARRANGEMENTS**", would be replaced as follows:

1st to 4th Para:

"Assuming full acceptance of the Open Offer, the total fund requirement for acquisition of 33,38,042 Equity Shares from the Shareholders of the Target Company at an Offer Price of ₹ 150.75 per Equity Share is ₹ 50,32,09,832 (Rupees Fifty Crore Thirty Two Lacs Nine Thousand Eight Hundred and Thirty Two only). The Acquirer has adequate resources to meet the financial requirement of the Open Offer.

The Acquirer has opened an escrow account with Kotak Mahindra Bank ("**Escrow Bank**"), having their branch office at Kandi Tower, CTS No 12995, Jalna Road, Aurangabad, Maharashtra - 431 001, in the name of "R Systems International Limited-Open Offer Escrow Account" bearing no. 6011147598 ("**Escrow Account**") and deposited an amount, of ₹ 12,54,88,500/- (Rupees Twelve Crore Fifty Four Lac Eighty Eight Thousand Five Hundred only) in cash and thereafter deposited an additional amount of ₹ 37,81,11,500 (Rupees Thirty Seven Crore Eighty One Lac Eleven Thousand and Five Hundred only) in cash, as directed by SEBI vide its letters bearing numbers CFD/DCR/TO/CB/OW/16697/12 dated 25th July, 2012 and CFD/DCR/TO/CB/26876/12 dated 3rd December, 2012 and in compliance with regulation 22(2) of the SEBI (SAST) Regulations, so as to make the escrow 100% of the total purchase consideration payable under the Open Offer assuming full acceptance at the Offer Price i.e. ₹ 50,32,09,832 (Rupees Fifty Crore Thirty Two Lacs Nine Thousand Eight Hundred and Thirty Two only). The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Open Offer. The Acquirer has authorized the Manager to operate the Escrow Account in compliance with Regulation 17 of the SEBI (SAST) Regulations.

10) Under VI "**STATUTORY AND OTHER APPROVALS**", paragraphs after the point no "iii." would be replaced as follows:

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

4th paragraphs would be replaced as follows:

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations. In case RBI approval for acquisition of shares from non-resident shareholders is unduly delayed or rejected for any reason whatsoever, the Acquirer will proceed with payment to the resident shareholders whose shares have been accepted by the Acquirer in terms of this Offer, pending payment to the non-resident shareholders.

11) Under VII "**SCHEDULE OF ACTIVITIES**" and at all relevant places in DPS, the dates mentioned have been revised and shall be read as mentioned herein below:

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

General

The Acquirer i.e. Mr. Bhavook Tripathi accepts full responsibility for the information contained in this corrigendum to the PA and DPS and also for the obligations of the Acquirer to the extent as required and as laid down in the SEBI (SAST) Regulations.

The PA, DPS, 1st Supplemental PA, 2nd Supplemental PA and this corrigendum to the PA and DPS are available on SEBI's website at www.sebi.gov.in.

This corrigendum to the PA and DPS is being issued by the Manager to the Offer on behalf of the Acquirer i.e. Mr. Bhavook Tripathi, son of Mr. Chandraprakash Tripathi residing at Shree Goverdhan Nath Housing Society, North Main Road, Lane B, Koregaon Park, Pune – 411001. Tel: 020-41224991, Fax: 020-41224991 Email: bhavook.tripathi@gmail.com.

MANAGER TO THE OFFER

KJMC
ADVICE MATTERS

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Place: Mumbai
Date: December 27, 2012

Size: 24cm (w) x 50cm (h)