LETTER OF OFFER

This Document is important and requires your immediate attention

This Letter of Offer is sent to you as a shareholder(s) of **ONTRACK SYSTEMS LIMITED**. If you require any clarifications about the action to be taken, you may consult your Stock Broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

R.P. INFOSYSTEMS PRIVATE LIMITED ("RPIPL")

having its Registered Office at 20/1C, Lalbazar Street, Kolkata – 700 001

Ph. No. (033) 2231-0251, Fax No. (033) 2231-0252. E-mail: info@rpchirag.com

and

SHRI B. HARI

residing at 9, Prince Gulam Md. Shah Road, Golf Towers, Flat No. 4B, Kolkata – 700 045.

Ph : (033) 2357 2555, Fax No. (033) 2357 2564, E-mail : hari@ontrackuk.com

to the shareholders of

ONTRACK SYSTEMS LIMITED ("OSL")

having its Registered Office at New No. 48, Old No. 30, 2nd Floor, Dr. Madhavan Nair Road, Mahalingapuram, Chennai- 600 034 and Corporate Office at Y-18 EP Block , Sector V Salt Lake, Kolkata -700091

Ph: (033) 2357 2555; Fax: (033) 2357 2564, email id – info@ontrackindia.com

For the acquisition of 38,68,401 (Thirty Eight Lacs Sixty Eight Thousand Four Hundred One Only) fully paid-up equity shares of Rs.10/- each, representing 20.00% of the Present Voting Capital of the Target Company at a price of Rs. 17/- per share ("Offer Price") payable in cash, in accordance with regulation 20(2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof ("the Regulations"), from the equity shareholders of OSL.

Please Note:

1. This Offer is being made in compliance with Regulation 10, 11(1) & 12 of the Regulations.

2. The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders. In case of acceptances from Non-Resident shareholders, the Acquirers would, after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of OSL to the Acquirers. There are no other statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. However, the offer would be subject to all-statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.

3. If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of closure of the Offer viz. 04.10.2010 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement dated.23.07.2010 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.

4. **As the Offer price cannot be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

5. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same upto 08.10.2010 i.e. three working days prior to the closure of the Offer.

6. The offer is not subject to a minimum level of acceptance by the shareholders of OSL.

7. **There is no Competitive bid.**

8. The Procedure for acceptance is set out in Para 8 of this Letter of Offer. A Form of Acceptance and a Form of Withdrawal is enclosed with this Letter of Offer.

9. The Public Announcement, Corrigendum to the Public Announcement and Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) would also be available at SEBI website www.sebi.gov.in.

MANAGER TO THE OFFER:	REGISTRAR TO THE OFFER
VC CORPORATE ADVISORS PRIVATE LIMITED SEBI REGN NO: INM000011096 (Contact Person: Mr. Anup Kumar Sharma) 31, Ganesh Chandra Avenue, 2nd Floor, Suite No. 2C, Kolkata – 700 013 Tel: (033) 2225 3940 / 3941/ 2116 Fax: (033) 2225 3941 Email: mail@vccorporate.com	**CAMEO CORPORATE SERVICES LTD.** SEBI REGN NO: INR000003753 (Contact Person: Ms. Priya) Subramanian Building 1, Club House Road, Chennai - 600002 Tel : 044-28460390 (5 Lines) Fax: (044) 2846 0129 Email : investor@cameoindia.com

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Original Date	Original Day	Revised Date	Revised Day
Date of publication of Public Announcement	23.07.2010	Friday	23.07.2010	Friday
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	06.08.2010	Friday	06.08.2010	Friday
Last Date for a Competitive Bid, if any	13.08.2010	Friday	13.08.2010	Friday
Date by which the Letter Of Offer will be Dispatched to the shareholders	03.09.2010	Friday	18.09.2010	Saturday
Date of Opening of the Offer	15.09.2010	Wednesday	24.09.2010	Friday
Last date for revising the Offer Price/ Number of Shares	23.09.2010	Thursday	04.10.2010	Monday
Last date for Withdrawal of Acceptance by shareholders who have accepted the Offer	29.09.2010	Wednesday	08.10.2010	Friday
Date of Closing of the Offer	04.10.2010	Monday	13.10.2010	Wednesday
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate for the rejected shares will be dispatched.	19.10.2010	Tuesday	28.10.2010	Thursday

Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirers: -

1. The offer involves an offer to acquire 20.00% of the Present Voting Capital of OSL from the eligible persons for the Offer. In the case of over subscription in the offer, as per the Regulations, acceptance would be determined on a proportionate basis in accordance with Regulation 21(6) of the Regulations and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LO. Consequently, the payment of consideration to the public shareholders of OSL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI, may, if satisfied that the non-receipt of approval was not due to the willful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by SEBI. Further, shareholders should note that after the last date of withdrawal i.e. 08.10.2010, the shareholders who have lodged the shares would not be able to withdraw them even if the acceptance of the Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer till such time as the process of acceptance of tenders and the payment of consideration is completed.

   The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers under the Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of Regulation 27 of the Regulations. Delay, if any, in receipt of these approvals may delay completion of the offer.

3. The Acquirers intend to acquire 38,68,401 (Thirty Eight Lacs Sixty Eight Thousand Four Hundred One Only) fully paid-up equity shares of Rs.10/- each, representing 20.00% of the Present Voting Capital at a price of Rs. 17/- per share under the Regulations. The equity shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities and the shareholders will not be able to trade in such equity shares.

   The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement or this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer and any person placing reliance on any other source of information would be doing so at its own risk.

   The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

4. **Risks involved in associating with the Acquirers**

   The Acquirers intend to acquire 38,68,401 (Thirty Eight Lacs Sixty Eight Thousand Four Hundred One Only) fully paid-up equity shares of Rs.10/- each, representing 20.00 % of the present paid-up equity and voting share capital at a price of Rs. 17/- per share under the Regulations. Further, the shares tendered in the offer in demat form will lie to the credit of the special depository account details of which are provided Para 8.3 of the LO and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the offer formalities. Post this Offer, the Acquirers will have significant equity ownership and effective management control over the Target Company pursuant to Regulations 10 and 12 of the Regulations. The Acquirers make no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

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DEFINITIONS/ABBREVIATIONS

Acquirers	R.P. Infosystems Pvt Ltd and Shri B. Hari
Board	The Board of Directors of the Target Company
BSE	Bombay Stock Exchange Limited
CSE	Calcutta Stock Exchange Limited
MSE	Madras Stock Exchange Limited
ECS	Electronic Clearing Service
Corrigendum to PA	Corrigendum to the Public Announcement dt. 15.09.2010
Present Voting Capital	1,93,42,005 Equity Shares of Rs. 10/- each
FOA or Form of Acceptance	Form of Acceptance – cum - Acknowledgment accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
LO	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
CDSL	Central Depository Services Limited
Offer Period	21.07.2010 to 28.10.2010
Offer Price	Rs.17/- payable in cash
Offer/Open Offer/public Offer	Cash Offer being made by the Acquirers to acquire 38,68,401 (Thirty Eight Lacs Sixty Eight Thousand Four Hundred One Only) fully paid-up equity shares of Rs.10/- each, representing 20.00% of the Present equity and voting share capital at a price of Rs. 17/- per share.
PA	Public Announcement dt. 23.07.2010
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of OSL except the Acquirers
Preferential Issue	The issue of 90,00,000 equity shares to RPIPL and 12,00,000 equity shares to Shri B. Hari aggregating to 1,02,00,000 equity shares of the face value of Rs. 10/- each, at a price of Rs. 12/- per equity share (including a premium of Rs. 2/- per equity share) on a Preferential Issue Basis
Existing Promoter	Shri B. Hari
RBI	Reserve Bank of India
Registrar to the Offer	Cameo Corporate Services Ltd
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent Amendments thereto.
ROC	Registrar of Companies
SEBI	Securities & Exchange Board of India
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto
Specified date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of OSL, to whom the Letter of Offer should be sent, i.e. 06.08.2010.
Target Company / OSL	Ontrack Systems Limited

1. **DISCLAIMER CLAUSE**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF OSL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 05.08.2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER.

2. **DETAILS OF THE OFFER:**

2.1. Background of the Offer:

2.1.1 This Offer is being made by R.P. Infosystems Private Limited ("RPIPL"), a company incorporated under the Companies Act 1956, having its registered office at 20/1C, Lalbazar Street, Kolkata – 700 001 and Shri B. Hari residing at 9, Prince Gulam Md. Shah Road, Golf Towers, Flat No. 4B, Kolkata – 700 045 to the equity shareholders of Ontrack Systems Limited (hereinafter referred to as the "Target Company" or "OSL"). Shri B. Hari is the existing promoter of the Target Company as per filing made by the Target Company to the Stock Exchanges under clause – 35 of the Listing Agreement.

2.1.2 The Board of Directors of the Target Company ("Board"), at its meeting held on July 21, 2010 have issued and allotted 90,00,000 equity shares to RPIPL and 12,00,000 equity shares to Shri B. Hari, aggregating to 1,02,00,000 equity shares of the face value of Rs. 10/- each fully paid up at a price of Rs. 12/- per equity share (including a premium of Rs. 2/- per equity share) on a Preferential Issue Basis ("Preferential Issue"). The equity shares issued under preferential issue are subject to "lock-in" as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto ("SEBI ICDR Regulations"). Post completion of the Public Offer formalities, RPIPL shall be treated as Co- Promoter and the Target Company shall make the necessary disclosures accordingly to the Stock Exchanges and other appropriate authorities.

The Preferential Issue was duly authorized by the Board of Directors of the Target Company at their meeting held on 12th April, 2010 and by the Shareholders by way of a Special Resolution passed under Section 81(1A) of the Companies Act, 1956 and other applicable provisions, if any, at the duly convened Extra Ordinary General Meeting ("EGM") of the Target Company held on 14th May, 2010. The Target Company has received "in principle" approval from the Bombay Stock Exchange Limited ("BSE") vide their letter no. DCS/PREF/PVN/PREF/346/10-11 dated 8th July, 2010 for the aforesaid Preferential Issue.

2.1.3 The paid up and voting equity share capital of the Target Company prior to the Preferential Issue was Rs. 9,14,20,050 consisting of 91,42,005 equity shares of Rs. 10/- each ("Pre-Preferential Capital"). Post Preferential Issue, the total equity and voting share capital of the Target Company increased to Rs. 19,34,20,050 consisting of 1,93,42,005 equity shares of Rs. 10/- each ("Present Voting Capital") of which the Acquirers are holding in aggregate 1,21,59,395 equity shares representing 62.86% of the Present Voting Capital of the Target Company, the details of which are as follows :

Particulars	**Pre-Preferential Issue**		**Shares allotted pursuant to the Preferential Issue**		**Post- Preferential Issue**	
	No. of Shares held	**%age of share holding**	**No. of Shares held**	**%age of share holding #**	**No. of Shares held**	**%age of share holding #**
(i) R.P. Infosystems Pvt. Ltd.	Nil	Nil	90,00,000	46.53	90,00,000	46.53
(ii) Shri B. Hari	19,59,395	21.43	12,00,000	6.20	31,59,395	16.33
Total	**19,59,395**	**21.43**	**102,00,000**	**52.73**	**1,21,59,395**	**62.86**

(# Calculated as a %age of Present Voting Capital of the Target Company)

2.1.4 As on the date of this PA, the Acquirers alongwith the other constituents of the Promoter Group collectively hold 1,27,15,787 equity shares representing 65.74% of the Present Voting Capital of OSL. During twelve months preceeding the date of this PA, Mr. Hari has acquired 12,26,295 equity shares (26,295 equity shares through open market and 12,00,000 equity shares through Preferential Allotment) of the Target Company at a highest and average price of Rs. 12.00 and Rs. 11.96 respectively and RPIPL has acquired 90,00,000 equity shares of the Target Company through Preferential Allotment at a highest and average price of Rs. 12/- per share. Apart from these acquisitions the Acquirers have not acquired any equity shares of the Target Company during twelve months preceding the date of this PA.

2.1.5 As on the date of PA, the Manager to the Offer does not hold any equity share in the Target Company. They declare and undertake not to deal in the shares of OSL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.

2.1.6 The Offer is not as a result of global acquisition resulting in indirect acquisition of OSL.

2.1.7 Acquirers have also entered into a Share Subscription Agreement ("SSA") dated July 21, 2010 with the Target Company to subscribe to the aforesaid Preferential Issue in compliance with Chapter VII of the SEBI ICDR Regulations the salient features of which are as follows :

a. The Issuer Company (OSL) has agreed to issue and allot a total of 1,02,00,000 fully paid up equity shares of Rs. 10/- each to the Acquirers (B Hari – 12,00,000 equity shares, RP Infosystems Limited - 90,00,000 equity shares) on preferential allotment basis at a price of Rs. 12/- per equity share (including premium of Rs. 2/- per equity share) aggregating to Rs. 12,24,00,000/- (Rupees –Twelve Crores Twenty Four Lacs only) (hereinafter referred to as "Subscription Shares") in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto ("SEBI ICDR Regulations").

b. As on the date of this Agreement, B Hari, the Promoter holds 19,59,395 equity shares representing 21.43% of the present equity and voting share capital of the Issuer Company. The Promoter along with other constituents of the Promoter Group is collectively holding 25,15,787 Equity shares constituting 27.52% of the present equity and voting share capital of the Issuer Company. The Investor shall also form part of the promoter group of the Issuer Company after the Allotment of Equity shares. Subsequent to the Preferential allotment of equity shares, the Promoter along with other constituents of the Promoter Group and the Investor shall collectively hold 1,27,15,787 equity shares constituting 65.74% of the Post Preferential equity and voting share capital of the Issuer Company.

c. The Subscription Shares issued shall be free and clear of all encumbrances, together with all rights now or hereafter attaching thereto.

d. In accordance with the terms and conditions of this Agreement, in consideration for the issuance and allotment of the Subscription Shares, the Investor shall pay to the Issuer Company the Share Subscription Price.

e. Pursuant to the allotment of shares on preferential basis, the Acquirers shall acquire equity and voting share capital beyond the permissible limit triggering the requirement of making Open Offer in compliance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 ("Takeover Regulations").

2.1.8 The Acquirers among themselves have not entered into any formal agreement with regard to acquisition of equity shares under the Open offer. However, the Acquirers have informal understanding to hold the equity shares of the Target Company in the following proportion :

Name of the Acquirer	**No. and %age of shares held before the open offer**	**No. & %age of shares proposed to be acquired under open offer *(Assuming full acceptance)**	**Total Shareholding after the open offer *(Assuming full acceptance)**
R.P. Infosystems Pvt. Ltd.	90,00,000 (46.53%)	34,81,561 (18.00%)	1,24,81,561 (64.53%)
Shri B. Hari	31,59,395 (16.33%)	3,86,840 (2.00%)	35,46,235 (18.33%)

*figures may change as per actual no. of shares tendered in the open offer.

2.1.9 The Acquirers, its directors, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of the direction issued u/s 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.1.10 As on the date of PA, the Manager to the Offer does not hold any equity share in the Target Company. They declare and undertake not to deal in the shares of OSL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer

2.1.11 Consequent upon the completion of the Offer formalities, the single control of OSL by Mr. B. Hari will change into joint control by the Acquirers.

2.2. Details of the proposed Offer:

2.2.1. The Public Announcement dated 23.07.2010 and corrigendum to Public Announcement dated 15.09.2010 of the Offer was made in all editions of Business Standard (English Daily), all editions of Business Standard (Hindi Daily), Maharastra Times (Marathi Daily) & Malai Sudar (Tamil Daily) in compliance with Regulation 15(1) of the Regulations. The Public Announcement made on 23.07.2010 and corrigendum to Public Announcement dated 15.09.2010 is available on the SEBI web site at www.sebi.gov.in.

2.2.2. The Acquirers propose to acquire from the existing equity shareholders of OSL, 38,68,401 (Thirty Eight Lacs Sixty Eight Thousand Four Hundred One Only) representing 20.00% of the Present equity and Voting Share Capital at a price of Rs.17/- per share payable in cash. OSL does not have any partly paid up shares as on date of this PA.

2.2.3. The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all the rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

2.2.4. The Offer is not subject to any minimum level of acceptance. The Acquirers will accept all equity shares of OSL in terms of this Offer upto a maximum of 38,68,401 (Thirty Eight Lacs Sixty Eight Thousand Four Hundred One Only) representing 20.00% of the Present paid up Equity and Voting Share Capital at a price of Rs. 17/- per share ("Offer Price").

2.2.5. Since the date of the PA to the date of this LO, the Acquirers have not acquired any shares of OSL.

2.2.6. No competitive bid has been received as on date of LO.

2.3. Object of the Offer:

2.3.1 The Offer has been made pursuant to allotment of 1,02,00,000 equity shares representing 52.73% of the Present Voting Capital of the Target Company on Preferential Issue Basis to the Acquirers. The Preferential Issue will result in substantial acquisition of equity shares and voting rights by the Acquirers accompanied with change from single control to joint control amongst the Acquirers in the Target Company and the Acquirers are making this Offer to the public shareholders of the Target Company in accordance with Regulation 10, 11(1) and Regulation 12 and other applicable provisions of the Chapter III and in compliance with the Regulations.

2.3.2 The preferential allotment of shares were made to meet the funding requirements of the Target Company including but not limited to investment for meeting its business requirements, funding ongoing capital expenditure and/or for the repayment of its long term debts and working capital requirements in order to improve its project capacity and enhance infrastructure facilities.

2.3.3 The Acquirers would continue to support the existing business of the Target Company and also support the Target Company's Board of Directors in their endeavour to develop the business. The Target Company proposes to use the proceeds of the Preferential Issue to meet its investments/capital expenditure for existing as well as new growth opportunities. The Acquirers intend to help grow the existing business of the Target Company and strengthen its position in the industry.

3. BACKGROUND OF THE ACQUIRERS:

3.1. R.P. INFOSYSTEMS PVT LTD ("RPIPL")

3.1.1 RPIPL was incorporated on 2nd February 2005 as a Private Limited Company under the Companies Act 1956. The CIN no. of the Company is U72200WB2005PTC101512. The registered office of the Company is situated at 20/1C, Lalbazar Street, Kolkata – 700 001. Tel No. (033) 2231-0251, Fax No. (033) 2231-0252. E-mail: info@rpchirag.com

3.1.2 Mr. Shibaji Panja and Mr. Kaustuv Ray are the promoters of RPIPL. They along with their relatives and associate companies are presently holding the entire equity share capital of RPIPL. The present Board of Directors of RPIPL are Mr. Kaustuv Ray, Mr. Shibaji Panja and Mr. Vinay Bafna.

3.1.3 RPIPL is engaged in the business of manufacturing and trading in Computers and related peripherals. RPIPL has its manufacturing units at Howrah and Parwanoo.

3.1.4 Shareholding Pattern as on 23.07.2010 i.e., date of public announcement.

S. No.	Name	No. of Shares	% of holding
1	Kaustuv Ray	20,881,100	48.87
2.	Shibaji Panja	20,881,100	48.87
3.	Swati Chakrabarti	324,000	0.76
4.	R.P.Techvision (India) Pvt. Ltd	450,000	1.05
5.	R.P.Vyapaar Pvt. Ltd	187,500	0.44
	Total	**42,723,700**	**100.00**

3.1.5 In terms of Regulation 2(1)(e)(2) of the Regulations, there could be person(s) deemed to be acting in concert with the Acquirers. However, such persons are neither holding any shares nor acting in concert with the Acquirers for the purpose of this Offer.

3.1.6 Name and residential address of the Board of directors of RPIPL as on the date of PA are as follows:

Names of Directors	Residential Address	DIN No	Experience	Qualifications	Designation
Mr. Kaustuv Ray	CH-5/2 Baikuntha Ghosh Lane, Rajarhat,24PGS-N, KOLKATA- 700 059	00593799	10 years experience in IT and media industry	Graduate in Economics	Director
Shibaji Panja	Fort Royale Flat-3c& 4B,28 Prince Anwar Shah Road, Kolkata-700 035	00561721	10 years experience in IT and media industry	Graduate in English	Director
Vinay Bafna	7A,Block A New Alipore, Kolkata-700 053	01480753	20 years experience in IT Industry	Graduate in Commerce	Director

None of the directors of RPIPL were on the Board of the Target Company as on the date of PA.

3.1.7 The shares of RPIPL are not listed on any Stock Exchange.

3.1.8 There has been no merger/demerger, spin off during last 3 years involving RPIPL.

3.1.9 The Authorised Share Capital of RPIPL is Rs. 750,000,000 comprising of 75,000,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs.427,237,000 comprising of 42,723,700 fully paid up equity shares of Rs.10/- each.

3.1.10 Financial Information:

The financial details of RPIPL as per the audited accounts for the last three financial years ended 30th September 2009 and for 6 months period ended 31st March 2010 (Certified by the Auditor) are as follows:

Profit & Loss Statement **(Rs. in Lacs)**

For the Year Ended	**12 Months 30th June 2007 (Audited)**	**15 Months 30thSeptemer, 2008 (Audited)**	**12 Months 30thSeptember, 2009 (Audited)**	**6 Months 31st March 2010 (Certified)**
Income from Operations: Sales & Service Charges	13040.83	45892.06	70758.53	52161.20
Other Income	7.19	271.86	117.32	90.21
Total Income	**13048.02**	**46163.92**	**70875.85**	**52251.41**
Total Expenditure	12087.51	43165.70	62469.19	48541.21
Profit/(Loss) before Interest, Depreciation and Tax	960.51	2998.22	8406.66	3710.20
Depreciation	27.77	51.91	54.49	88.13
Interest & Financing Charges	353.54	879.74	2241.47	1209.63
Profit/(Loss) before Tax	579.20	2066.57	6110.70	2412.44
Provision for Tax	111.33	448.88	919.86	237.03
Profit/(Loss) after tax	**467.88**	**1617.69**	**5190.84**	**2175.41**

Balance Sheet **(Rs. In Lacs)**

As on	**12 Months 30th June 2007 (Audited)**	**15 Months 30thSeptemer, 2008 (Audited)**	**12 Months 30thSeptember, 2009 (Audited)**	**6 Months 31st March 2010 (Certified)**
Sources of funds				
Paid up share capital	117.29	1981.58	4272.37	4272.37
Reserves & Surplus (excluding revaluation reserves)	1514.89	1904.45	6086.19	7266.64
Less: Miscellaneous Expenses	0.30	0.25	0.21	0.19
Less: Deferred Revenue Expenditure	-	183.57	-	-
Net Worth	**1631.88**	**3702.21**	**10385.35**	**11538.82**
Share Application Money	446.77	1303.77	3.77	2403.77
Revaluation Reserves	402.18	385.25	744.08	1128.17
Convertible Bonds	425.00	-	-	-
Secured loans	3381.18	6019.96	10617.38	15326.50
Unsecured loans	-	-	-	10.00
Total	**6287.01**	**11411.19**	**21723.58**	**30407.26**
Uses of funds				
Net Fixed Assets (including Capital W-I-P)	820.19	1016.99	3402.23	3978.40
Investments	-	-	230.00	230.00
Net Current Assets	5466.82	10394.19	18091.35	26198.86
Total	**6287.01**	**11411.19**	**21723.58**	**30407.26**

Other Financial Data

For the Year Ended	12 Months 30th June 2007 (Audited)	15 Months 30thSeptemer, 2008 (Audited)	12 Months 30thSeptember, 2009 (Audited)	6 Months 31st March 2010 (Certified) *
Dividend (%)	-	10	5	23.5
Earning Per Share (Rs.)	39.89	8.16	12.15	5.09
Return on Networth (%)	28.67	43.70	49.98	18.85
Book Value Per Share (Rs.)	139.13	18.68	24.31	27.01

Not Annualised

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/period

(ii) Return on Net Worth = Profit after Tax / Net Worth

(iii) Book Value per Share = Net Worth / No. of equity shares

(iv) Source : Audited Annual Reports / Certified by Statutory Auditors

(v) Reason for fall/rise in Total Income, Expenditure and PAT in the relevant year if applicable: - Year wise reason for the fall in the Total Income, Expenditure & PAT is cited below: -

1. Reason for change in Total Income, Expenditure and PAT for the 6 months period ended 31st March 2010 over 12 months year ended 30th September 2009:

   Total Income for the period ended 31st March 2010 was Rs. 52251.41 Lacs as compared to Rs. 70875.85 Lacs for the year ended 30th September 2009. The total expenditure was Rs. 48541.21 Lacs for the period ended 31st March 2010 and it was Rs. 62469.19 Lacs for the year ended 30th September 09. PAT for the year ended 30th September 09 was Rs. 5190.84 Lacs as compared to a PAT of Rs. 2175.41 Lacs for the year ended 31st March 2010. The earnings of the industry in which RPIPL operates generally receives higher earnings during second half of the financial year (i.e., April to September) as compared to the first half (i.e., October to March) of the financial year.

2. Reason for change in Total Income, Expenditure & PAT for the year ended 30th September 2009 over year ended 30th September 2008: -

   Total Income for the year ended 30th September 2009 was Rs. 70875.85 Lacs as compared to Rs. 46163.92 Lacs for the year ended 30th September 2008. The increase in total income was mainly due to increase in Sales volume from Rs. 45892.06 Lacs for the year ended 30th September 2008 to Rs. 70758.53 Lacs for the year ended 30th September 2009. However the Other Income decreased from Rs. 271.86 Lacs for the year ended 30th September 2008 to Rs. 117.32 Lacs for the year ended 30th September 2009.The total expenditure increased from Rs. 43165.70 Lacs for the year ended 30th September 2008 to Rs. 62469.19 Lacs for the year ended 30th September 2009. The expenditure increased mainly on account of increase in Clearing and Forwarding Charges from NIL for the year ended 30th September 2008 to Rs. 8.69 Lacs for the year ended 30th September 2009, increase in Foreign Exchange Fluctuation Loss to Rs. 1.80 Lacs from Nil in the previous year. There was also an increase in Discount Allowed from Rs. 0.18 Lacs for the year ended 30th September 2008 to Rs. 57.95 Lacs for the year ended 30th September 2009, the cost of Service Charges paid increased from Rs. 7.67 Lacs for the year ended 30th September 2008 to Rs. 1576.46 Lacs for the year ended 30th September 2009 and increase in Tender Fee, Testing Fee from Nil for the year ended 30th September 2008 to Rs. 11.28 lacs for the year ended 30th September 2009. However, there was a decrease in Office Maintenance Expenses from Rs. 1.04 Lacs to Nil for the year ended 30th September 2009, Transportation Charges also decreased to Nil for the year ended 31st September 2009 against Rs. 13.50 Lacs for the Year ended 31st September 2008. Interest and Financing Charges for the year ended 30th September 08 was Rs.879.74 as compared to Rs. 2241.47 Lacs for the year ended 30th September 09. PAT for the year ended 30th September 09 was Rs. 5190.84 Lacs as compared to a PAT of Rs. 1617.69 Lacs for the year ended 30th September 08.

3. Reason for change in Total Income, Expenditure & PAT for the year ended 30th September 2008 over 15 months period ended 30th June,2007: -

   Total Income for the year ended 30th September 2008 was Rs. 46163.92 Lacs as compared to Rs. 13048.02 Lacs for the period ended 30th June, 2007. The increase in total income was mainly due to increase in Sales volume from Rs. 13040.83 Lacs for the period ended 30th June, 2007 to Rs. 46163.92 Lacs for the year ended 30th September 2008. There was also increase in Other Income from Rs. 7.19 Lacs for the period ended 30th June 2007 to Rs. 271.86 Lacs for the year ended 30th September 2008. The total expenditure increased from Rs. 12087.51 Lacs for the period ended 30th June, 2007 to Rs. 43165.70 Lacs for the year ended 30th September 2008 mainly on account of increase in Purchase from Rs. 4138.43 Lacs for the period ended 30th June,2007 to Rs. 32057.30 Lacs for the year ended 30th September 2008 due to the increased volume of operations. There was also increase in Directors Remuneration to Rs. 88.75 Lacs for the year ended 31st September 2008 as against Nil for the period ended 30th June, 2007, increase in Donation and Subscription to Rs. 88.43 Lacs for the year ended 30th September, 2008 as against Nil for the period ended 30th June, 2007.

There was further increase in expenses such as Legal Fees, License and Registration Fees, Service Charges Paid, Sponsorship, Bonus & Exgratia, Business Advisory Services, etc. as against Nil for the period ended 30th June, 2007. Interest and Financing Charges for the year ended 30th September 08 was Rs. 879.74 as compared to Rs.353.54 Lacs for the period ended 30th June,2007. Consequently PAT for the year ended 30th September 2008 was of Rs. 1617.69 Lacs as compared to a Net Profit of Rs. 467.88 Lacs for the period ended 30th June, 2007.

3.1.11 Notes on Accounts

I. Significant Accounting Policies

a) Convention

The Financial Statements are based on accrual systems of accounting and in accordance with the accounting standards specified under sub- section (3C) of section 211 of the Companies Act, 1956. A summary of important accounting policies are set out below which have been applied consistently. This is not the statutory accounts of the Company, under the Companies Act, 1956, as the Company adopted different accounting period for the purpose of closure of its statutory accounts. In view of the above, certain presentational and disclosure requirements under the said Act have not been strictly complied with in these accounts.

b) Basis of Accounting

The Financial Statements are prepared under the historical cost convention.

c) Fixed Assets

All Fixed Assets are stated at cost excepting company`s Land, Buildings and Showrooms which are stated at revalued cost. Cost comprises of the purchase price and other attributable expenses.

Company`s Land, Factory Building, Office Buildings and Showrooms were revalued as at 30th June, 2007 and the incremental value arising out of such revaluation amounting to Rs. 4,02,18,006/- was credited to revaluation reserve. Further, certain Land and Buildings was again revalued on 30th September, 2009 and 31st March, 2010 and the incremental value amounting at Rs. 11,45,000/- and Rs. 22,41,116/- respectively was credited to revaluation reserve. Some other Land and Office Buildings (not valued earlier) was revalued as at 30th September, 2009 and 31st March, 2010 and the incremental value arising out such revaluation of Rs. 3,59,63,801/- and Rs. 3,86,44,170/- respectively was also credited to revaluation reserve.

d) Depreciation

Depreciation is provided on the Written Down Value method prescribed and in accordance with Schedule XIV to the Companies Act, 1956. Incremental Depreciation on revaluation amounting to Rs. 31,06,190/- has been adjusted against revaluation reserve.

e) Inventories

Closing Stock of Finished Goods are stated at cost or market price whichever is lower. Cost of Finished Goods also comprises appropriate overhead incurred in the abnormal course of business. Closing Stock of Raw Materials and Packing Materials are stated at cost or net realisable value, whichever is lower. Weighted average cost has been consistently used for the purpose of determining cost. Inventories as on 31st March, 2010 lying at Parwanoo factory and various sales offices of the Company are physically verified by the Management. Inventories lying at Ghusuri Factory and Kolkata sales outlets are also physically verified by the Management with the assistance of a firm of Chartered Accountants and incorporated in the accounts.

f) Sales

Sales represent the invoiced value of goods sold and reconciled with quarterly returns of value added tax/ sales tax submitted to concerned authorities and includes sale of traded goods Rs. 344,16,11,947/-.

g) Gratuity and Leave Encashment

The Company makes payment of gratuity and leave encashment on payment basis as and when it arises.

h) Liabilities

All known liabilities are recognized in the accounts.

I. Purchase

Purchase includes traded products Rs. 339,28,45,046/-.

II. Contingent Liability as on 31st March, 2010.

For Bank Guarantee issued Rs. 1,45,56,122/-.
For Sales Bill Discounting Rs. 25,14,46,747/-.

III. Letter of Credit Outstanding against purchase as on 31st March, 2010 is Rs. 91,53,86,334/-.

IV. Sales and purchase are net of rebate, relief, subvention and discount of Rs. 43,41,68,129/- and Rs. 23,53,54,460/- respectively.

V. A sum of Rs. 30,86,12,729/- incurred towards bank interest, administrative and selling expenses has been allocated to the Parwanoo Unit of the Company in ratio of Turnover of Parwanoo and Kolkata unit. Similarly Depreciation of Rs. 65,65,242/- has been allocated to the Parwanoo Unit.

VI. The Company has provided a Corporate Guarantee to the Bankers of R. P. Vyapaar Pvt. Ltd. and R. P. Food & Agrochem Pvt. Ltd. against their Cash Credit and Term Loan Limit of Rs. 3,000/- Lacs and Rs. 190/- Lacs respectively.

VII. Interest on margin money deposit is accounted for as and when the interests are received from Bank. Interest accrued on margin money deposit is accounted for on receipt of interest and TDS certificates From Bank.

VIII. In the opinion of the Management, Sundry Debtors and Advances are good and recoverable in the ordinary course of business. The Company is in the process of obtaining balance confirmations as on 31st March, 2010 in respect of Sundry Debtors and Advances given.

IX. Company has declared interim dividend of Rs. 10,04,00,695/- @ Rs. 2.35 per equity share. In view of applicability of clause (i) of subsection 1(A) of section 115(D) dividend tax is not payable.

X. The profit of the Parwanoo Unit of the Company is eligible for hundred percent deduction under section 80IC of the Income Tax Act, 1961. Income Tax for the Assessment Year 2010-11 has been determined on the basis of Minimum Alternate Tax calculated in accordance with section 115JB of the Income tax Act, 1961.

XI. Related Party disclosure as required under section 40(b) of the Income Tax Act, 1961 and quantitative information regarding purchase, sales and finished/ Traded Stock etc. are given in form 3Cd.

XII. Previous year`s figures have been regrouped and rearranged wherever necessary.

3.1.12 The details of Company promoted by RPIPL is as follows:

(A) Karna Automotives Private Ltd

Karna Automotives Private Ltd having its Registered Office at T-12,Okhla Industrial Area, Phase-II, New Delhi -110 020 is a Wholly Owned Subsidiary of RPIPL incorporated with the object of dealing in automotive parts.
Audited Financial Information of Karna Automotives Private Ltd is as under :

(Rs. In Lacs)

For the Year Ended	**31st March 2007 (Audited)**	**31st March 2008 (Audited)**	**31st March 2009 (Audited)**
Equity share capital	4.5	4.5	4.5
Reserves & Surplus (excluding revaluation reserves)	1.46	1.66	1.72
Total Income	1.08	0.71	0.51
Profit/(Loss) after tax(PAT)	(1.76)	0.20	0.059
Earnings Per Share (Rs.)	(39.11)	4.45	1.30
Book Value Per Share (Rs.)	132.52	136.97	138.14

3.2 Shri B. HARI ("B. Hari")

3.2.1 Shri B. Hari , son of Late R. S. Mani, aged about 48 years, residing at 9, Prince Gulam Md. Shah Road, Golf Towers, Flat No. 4B, Kolkata – 700 045 is having more than 25 years of experience in the Information Technology and Computer Software Industry. His networth as on 31/03/2010 as certified by Mr. Ranjan Meghani, (Membership No. 068551) Chartered Accountant, address Flat 6, Block - A, 67, Gobindapur Road, Kolkata 700 045, Mobile no. 098314-87917 vide their certificate dated July 5, 2010 is Rs. 364.60 Lacs. Mr. Hari is presently the Promoter and Managing Director of the Target Company.

3.2.2 He holds the directorship of Ontrack systems limited, Ontrack Global Services Limited, Ontrack systems (UK) limited, Ontrack systems (UAE) limited, Ontrack systems (Aust) limited, Golf Towers Maintenance & Services Private Ltd, Comunet Info Systems Pvt. Ltd.

3.3 The Acquirers, till date have complied with the relevant provisions of Chapter II of the Regulations, in respect of the open offer formalities wherever applicable.

3.4 There are no persons acting in concert with the Acquirers.

3.5 Disclosures in terms of Regulations 16(ix) of the Regulations & Acquirer's future plans for OSL

3.5.1 The Offer has been made pursuant to regulation 10, 11(1), 12 and other provisions of the Chapter III and in compliance with the Regulations.

3.5.2 The Acquirers intend to improve the operational performance of the Target Company by inducting funds to augment the resources for the long term working capital requirements and general corporate purpose of the Target Company and also to consolidate its equity share holding in the Target Company.

3.5.3 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of OSL in the next two years except in the ordinary course of business of OSL and / or for the purposes of entering into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of OSL, subject to applicable shareholders approval.

3.5.4 The Acquirers undertake not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

4. OPTION IN TERMS OF REGULATION 21(2)

In the event, pursuant to this Offer or otherwise, if the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirers will, in accordance with Regulation 21(2) of the Regulations, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the Stock Exchange within the specified time and in accordance with the prescribed procedure under clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

5. BACKGROUND OF THE TARGET COMPANY – ONTRACK SYSTEMS LIMITED (OSL)

5.1. Brief History and Main Areas of Operations:

5.1.1. Ontrack Systems Limited was originally incorporated as "Ontrack Systems Private Limited" on 15th February, 1988 under the Companies Act, 1956 in the state of Tamil Nadu. The Company was subsequently converted to a public limited company and the name of the Company was subsequently changed to "Ontrack Systems Limited" and fresh certificate of incorporation was issued on 1st February, 2000. The OSL is having its registered office at New No. 48, Old No. 30, 2nd Floor, Dr. Madhavan Nair Road, Mahalingapuram, Chennai- 600 034, Ph (044) 4308 1246/1247., Fax No (044) 4308 1248. The Corporate Office of OSL is located at Plot Y-18, EP – Block, Sector-V, Salt Lake, Kolkata – 700 091, Ph. (033) 2357 2555/ 2556/ 2560; Fax: (033) 2357 2564, email id – info@ontrackindia.com. The CIN of the Company is L52321TN1988PLC015370. The Target Company has already established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL)
The equity shares of the Company pursuant to the Initial Public offer was listed at the Calcutta Stock Exchange and Madras Stock Exchange in December 2000. Subsequently its shares got listed at Bombay Stock Exchange in the year 2004.

5.1.2. Ontrack Systems is a global IT and ITES company, which provides managed services, software development, maintenance and implementation services across various industry verticals. It provides IT solutions to its customers, including IT services, software development, SAP solutions, networking, and consultancy and managed services.

5.1.3. As on the date of this PA, the Authorised Share Capital of the Company is Rs. 2500.00 Lacs comprising of 250,00,000 Equity Shares of Rs. 10/- each. The present issued, subscribed and paid-up capital of the Target Company is Rs. 1934.20 Lacs comprising of 193,42,005 fully paid-up Equity Shares of Rs. 10/- each. OSL does not have any partly paid-up Equity Shares:

Paid up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully Paid up Equity Shares	19342005	100.00%
Partly Paid up Equity Shares	NIL	NIL
Total Paid up Equity Shares	19342005	100.00%
Total voting rights in the Target Company	19342005	100.00%

5.1.4. The capital structure of the Target Company has been built as per the details given below:

Date / year	Shares Issued		Cumulative paid up Capital (Rs.)	Mode of allotment	Face Value (Rs.)	Identity of allottees	Compliance status
	Number	%^					
15.02.1988	40	0.00	4000	Cash	100	Subscribers to the Memorandum	Complied
01.09.1988	8	0.00	4800	Cash	100	Allotment to Promoters & their friends & relatives	Complied
12.10.1988	42	0.00	9000	Cash	100	Allotment to Promoters & their friends & relatives	Complied

Date / year	Shares Issued		Cumulative paid up Capital (Rs.)	Mode of allotment	Face Value (Rs.)	Identity of allottees	Compliance status
	Number	%^					
24.11.1988	44	0.00	13400	Cash	100	Allotment to Promoters & their friends & relatives	Complied
31.03.1989	137	0.00	27100	Cash	100	Allotment to Promoters & their friends & relatives	Complied
14.06.1989	156	0.00	42700	Cash	100	Allotment to Promoters & their friends & relatives	Complied
07.02.1990	140	0.00	56700	Cash	100	Allotment to Promoters & their friends & relatives	Complied
30.09.1990	10	0.00	57700	Cash	100	Allotment to Promoters & their friends & relatives	Complied
30.03.1995	8250	0.00	882700	Cash	100	Allotment to Promoters & their friends & relatives	Complied
20.12.1999	79443	--	882700	Split of shares from Rs. 100 to Rs.10 per share	10	Existing shareholders	Complied
15.02.2000	1023000	5.29	11112700	Cash	10	Allotment to Promoters & their friends & relatives	Complied
30.03.2000	1538730	7.96	26500000	Cash	10	Allotment to Promoters & their friends & relatives	Complied
2000	2350200	12.15	50002000	Cash	10	Public Issue	Complied
29.07.2005	2500100	12.93	75003000	Bonus	10	Existing shareholders	Complied
07.09.2005	67502700	___	75003000	Split of shares	Re. 1/-	Existing shareholders	Complied
27.09.2006	(67502700)	___	75003000	Consolidation of face value	10/-	Existing shareholders	Complied
12.03.2008	450000	2.32	79503000	Allotment other than cash	10/-	Mr. Ganesh Natarajan & Mr. Ramdevan Krishnashwamy	Complied
20.08.2009	1191705	6.16	91420050	cash	10/-	Kant & Co	Complied
21.07.2010	10200000	52.73	193420050	Cash	10/-	Preferential allotment to acquirers	Complied
Total	**19342005**	**100.00**					

5.1.5. As per our verification and undertaking received from the Target Company, we state that there has not been any suspension of trading of shares of the OSL in any of the Stock Exchanges viz. BSE, CSE and MSE where the shares of the company are presently listed & no punitive action has been taken against the Target Company by any of the above Stock Exchanges.. Further in reference to our letter dt. 21.07.2010 and reminder letter dt. 30.07.2010 to BSE, CSE and MSE to provide us the information of compliance made by OSL along with any suspension/disciplinary/ penal action taken by them against the Target Company, we have been informed by BSE vide their e-mail dtd. 04.08.2010 about non compliance of several clauses of the Listing Agreement which are as under:

Sr. No.	Clause of Listing Agreement	Status
1	Clause 35 (Submission of Shareholding Pattern on quarterly basis)	Query pending for Shareholding Pattern submitted for the quarter ended December 2008 Totaling Mismatch.
2	Clause 40 b (SEBI – SAST Regulations 1997)	Not submitted disclosure u/r 8(3) for 2009, 2010 of SEBI (SAST) Regulations, 1997.
3	Clause 41 (Submission of Quarterly Results)	Query pending for following quarters: June 2005 – Fax not clear March 2008 – No signature, no stamp

		March 2010 – Fax not clear
4	Clause 47 (c) (submission of half yearly certificate)	Not submitted half yearly submitted for March 2009
5	Clause 49 (Corporate Governance)	Not submitted for the quarter ended December 2006, March 2008, March 2010.
6	Secretarial Audit Report	Not submitted for the quarter ended June 2007, March 2010

The Target Company vide its letter dated August 05, 2010 has replied to BSE against the aforesaid e-mail along with supporting documents in respect of compliances done. Subsequently we have received a letter ref no. DCS/COMP/SD/145/2010 dtd. 17.08.2010 from BSE confirming that the Target Company has duly complied with the clauses of the Listing Agreement including compliance of Regulation 8(3) of the regulations as applicable. Apart from above, we have not received any information from any other Stock Exchanges till date. As per the letter dtd. July 20, 2010 received from the Registrar of OSL, we state that there is no Investor's grievances pending as on that date against the Target Company.

5.1.6. As per our verification and the undertaking received from OSL, we state that OSL has complied with the provision of Regulation 8(3) of Chapter II of the Regulations till date except compliance of Regulation 8(3) for the in the year 2003 (due date 22/09/2003 compliance date 03/11/2003 i.e., 43 days delay) and 2006 (due date 30/04/2006 compliance date 12/06/2006 i.e., 43 days delay). OSL has already submitted us the copy of compliances along with other relevant documents except proof of dispatch in some cases. We have already written to all the stock exchanges to provide us the actual compliance status in respect of the same as per our letters dtd. 21.07.2010 and reminder letter dtd. 30.07.2010. Subsequently we have received a letter no DCS/COMP/SD/145/2010 dtd. 17.08.2010 from BSE stating that the Target Company has complied with amongst others, the Regulation 8(3) of the Regulations as applicable.

5.1.7. As per our verifications and information made available to us, we confirm that the promoters/promoter group of the Target Company have complied with Regulation 7 and 8 of the Regulations since 2001 i.e., the year when the shares of OSL were listed. The Target Company on 20.08.2009 has allotted 1191705 equity shares representing 13.04% of it's then paid up equity and voting capital to M/s. Kant & Company. According to the information and submission made available to us by the Target company, we state that M/s Kant and Co has not made Compliance under Regulation 7(1) of the SEBI (SAST) Regulations.

The name, address and shareholding of the major shareholders i.e., M/s. Kant & Co. Ltd. are as follows:

Name	**Address**	**No. of shares as on 21.07.2010**
M/s. Kant & Co. Ltd.	15, Dr. Rajendra Prasad Sarani, Kolkata – 700 001	11,91,705

SEBI may initiate suitable action against the Target Company, if applicable and the major shareholder i.e. Kant & Co for the non compliance under the provision of Chapter II of SEBI (SAST) Regulations, 1997.

5.1.8. As on the date, there are no outstanding convertible instruments such as warrants/FCDs/PCDs etc. There are no partly paid up shares as on the date of the submission of Letter of Offer.

5.1.9. OSL has confirmed that it has:

a) Paid up to date Listing Fees to all the stock exchanges where the shares of the target Company are presently listed; and
b) Presently, is in compliance with the Listing Agreement requirements of the Stock Exchanges. No punitive actions have been taken against it by the stock exchanges till date.

5.1.10. The Board of Directors of OSL as on the date of the PA is as follows:

Name of Directors	Designation	DIN NO.	Date of Appt.	Qualification	Residential Address	Experience	No. & % of shares of OSL held as on date of PA i.e., 23.07.2010
B. Hari	Managing Director	00490700	04/02/2000	B.E (Electrical Engineering) from Bengal Engineering College (Calcutta University, India)	4B, Golf Towers, 9, P.G.M. Saha Road, Kolkata 700095	More than 25 years of experience in the Information Technology and Computer Software Industry	31,59,395 21.43%
Sundaresan Venkat Ramani	Director	00490771	04/02/2000	Chartered Accountant ,qualified lawyer and member of Indian Council of Arbitration & Company Secretary	50, Lake Temple Road, Kolkata 700 029	22 years of experience in various areas of Finance and Company Law.	3975 0.02%
Vijay Kumar Chhinkwani	Director	00490953	27/09/2006	Chartered Accountant	202/2, S.P. Mukherjee Road, Kolkata 700026	22 years experience in Audit and Taxation	Nil
Krishnaswamy Ramdevan	Director	01110887	30/07/2008	Management graduate from Bernard Baruch College, New York	No.2, First Street, Dr.B.N. Road, Chennai 600017	Specialist in Mergers & Acquisition having worked for over 10 years	356160 1.84%
Robin Ghosh	Director	01151646	26/06/2007	Post-graduate in Economics from Delhi University	30/1, Lower Range, Po - Park Circus, Kolkata 700017	Experience in the area of advertising, promotion and marketing	Nil

Note: No director representing the Acquirers is on the board of the Target Company as on the date of LO. Compliance of Regulation 22(9) of the Regulation is therefore not applicable in this case.

5.1.11 There has been no merger / demerger or spin off involving OSL during the last 3 years.

5.2. Financial Information:

The financial details of OSL as per the audited accounts for the last three financial years ended March 2010 are as follows :

Profit & Loss Statement

(Rs. in Lacs)

For the Year Ended	31st March 2008 (Audited)	31st March, 2009 (Audited)	31st March, 2010 (Audited)	30th June, 2010 (Unaudited)
Income from Operations	2818.80	2419.33	3558.30	1381.78
Other Income	16.16	116.40	28.79	4.75
Total Income	2834.96	2535.73	3587.09	1386.53
Total Expenditure	2391.22	2907.73	3185.73	1214.32
Profit/(Loss) before Interest, Depreciation and Tax	443.74	372.00	401.36	172.21
Depreciation	247.81	189.86	128.94	18.23
Interest	164.59	180.05	234.62	57.90
Profit/(Loss) before Tax	31.34	(741.91)	37.80	96.08
Provision for Tax	11.46	7.82	21.22	2.00
Profit/(Loss) after tax	19.88	(749.73)	16.58	94.08

Balance Sheet **(Rs. in Lacs)**

As on	31st March 2008 (Audited)	31st March, 2009 (Audited)	31st March, 2010 (Audited)	30th June, 2010 (Unaudited)
Sources of funds				
Paid up share capital	795.03	795.03	914.20	914.20
Reserves & Surplus (excluding revaluation reserves)	771.72	543.30	662.47	662.47
Less: Miscellaneous Expenditure not written off	11.40	8.55	5.70	4.99
Less: P/L A/c (Dr. Bal)	----	521.31	470.24	376.17
Net Worth	**1555.35**	**808.47**	**1100.73**	**1195.51**
Employee Stock Option Outstanding	1.26	1.26	1.26	1.26
Secured loans	1309.25	1237.45	1273.58	1231.74
Unsecured loans	67.56	57.66	413.77	1.39
Total	**2933.42**	**2104.84**	**2789.34**	**2429.90**
Uses of funds				
Net Fixed Assets (including capital W-I-P)	1031.04	938.98	822.06	807.92
Investments	611.36	662.19	692.91	692.91
Deferred Tax Assets	23.39	19.57	44.85	42.85
Net Current Assets	1267.63	484.10	1229.52	886.22
Total	**2933.42**	**2104.84**	**2789.34**	**2429.90**

Other Financial Data

For the Year Ended	31st March 2008 (Audited)	31st March 2009 (Audited)	31st March, 2010 (Audited)	30th June, 2010 (Unaudited)
Dividend (%)	NIL	NIL	NIL	NIL
Earning Per Share (Rs.)	0.25	(9.43)	0.18	1.03
Return on Networth (%)	1.28%	N.M	1.51%	7.87%
Book Value Per Share (Rs.)	19.56	10.17	12.04	13.08

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/period
(ii) Return on Net Worth = Profit after Tax /Net Worth
(iii) Book Value per Share = Net Worth / No. of equity shares
(iv) Source : Audited Annual Reports / Certified by Statutory Auditors.

(v) Reason for fall/rise in Total Income, Expenditure and PAT in the relevant year if applicable: - Year wise reason for the fall in the Total Income, Expenditure & PAT is cited below: -

1. Reason for change in Total Income, Expenditure and PAT for the year ended 31st March 2010 over year ended 31st March 2009:

   Total Income for the year ended 31st March 2010 was Rs. 3587.09 Lacs as compared to Rs.2535.73 Lacs for the year ended 31st March 2009. The increase in total income was mainly due to increase in Sales from Rs.2419.33 Lacs for the Year ended 31st March, 2009 to Rs. 3558.30 Lacs for the Year ended 31st March 2010. The total expenditure increased from Rs. 2907.73 Lacs for the year ended 31st March 2009 to Rs. 3185.73 Lacs for the year ended 31st March 2010 mainly on account of increase in cost of purchase from Rs. 548.96 lacs to Rs. 2030.50 lacs. Interest Charges increased from Rs. 180.05 Lacs for the year ended 31st March, 2009 to Rs. 234.62 Lacs for the year ended 31st March, 2010. Consequently the net profit for the year ended 31st March 2010 was Rs. 16.58 Lacs as compared to a net loss of Rs. 749.73 Lacs for the year ended 31st March 2009.

2. Reason for change in Total Income, Expenditure & PAT for the year ended 31st March 2009 over year ended 31st March 2008: -

   Total Income for the year ended 31st March 2009 was Rs. 2535.73 Lacs as compared to Rs. 2834.96 Lacs for the year ended 31st March 2008. The decrease in total income was mainly due to decrease in Sales amounting to Rs. 2419.33 Lacs as compared to 2818.80 for the year ended 31st March, 2008. The total expenditure increased from Rs. 2391.22 Lacs for the year ended 31st March 2008 to Rs. 2907.73 Lacs for the year ended 31st March 2009 mainly on account of increase in administrative and staff cost.Interest Charges increased from Rs. 164.58 Lacs for the year ended 31st March, 2008 to Rs. 180.05 Lacs for the year ended 31st March, 2009. Consequently there was a net loss for the year ended 31st March 2009 at Rs. 749.73 Lacs as compared to a net profit of Rs. 19.88 Lacs for the year ended 31st March 2008.

3. Reason for change in Total Income, Expenditure & PAT for the year ended 31st March 2008 over year ended 31st March 2007: -

Total Income for the year ended 31st March 2008 was Rs. 2834.96 Lacs as compared to Rs.3423.22 Lacs for the year ended 31st March 2007. The decrease in total income was mainly due to decrease in Sales amounting to Rs. 2818.80 Lacs as compared to 3401.13 for the year ended 31st March, 2008. The total expenditure decreased from Rs. 3271.13 Lacs for the year ended 31st March 2007 to Rs. 2803.62 Lacs for the year ended 31st March 2008 mainly on account of decrease in cost of purchase, Operating Expenses and due to decrease in Consumption on Con. Stores. However Finance Charges increased from Rs. 98.23 Lacs for the year ended 31st March, 2008 to Rs. 164.58 Lacs for the year ended 31st March, 2009. Consequently the net profit for the year ended 31st March 2008 was Rs. 19.88 Lacs as compared to a net profit of Rs. 116.23 Lacs for the year ended 31st March 2007.

5.3. Pre and Post-Offer Shareholding Pattern of OSL (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:

Shareholders' Category	**Share holding Prior to the Preferential Issue**		**Shares acquired through Preferential Issued which triggered off the Regulation**		**Shares to be acquired in open Offer (assuming full acceptances)**		**Proposed Share holding after Allotment of shares under Preferential Issue (A+B+C)**	
	(A)		**(B)**		**(C)**		**(D)**	
	No. of shares	%	No. of shares	%^	No. of shares	%^	No. of shares	%^
1. (a) Promoter Group								
Acquirer:								
(i) RPIPL	-------	------	9000000	46.53	3481561	18.00	12481561	64.53
(ii) B.HARI	1959395	21.43	1200000	6.20	386840	2.00	3546235	18.33
Other Promoter	556392	6.09					556392	2.88
TOTAL 1 (a)	2515787	27.52	10200000	52.73	3868401	20.00	16584188	85.74
1 (b) Directors and their relatives and friends	59460	0.65	-	-	-	-	59460	0.31
Total 1 (a) & 1 (b)	2575247	28.17					16643648	86.05
2. Public Share Holding [Other than 1(a) & 1(b)]								
I)Institutions								
a) Mutual Funds / UTI					(3868401)	20.00	2698357	13.95
b) Fis/Banks/FIIs			-	-				
II) Non-Institutions								
a) Bodies Corporate	2661641	29.11						
b) Individuals	3470473	37.96						
Total 2 (I) + (II)	6132114	67.07						
3. Others:								
Hindu Undivided Family	106,556	1.17						
Non Resident Indians	1,74,312	1.91						
Overseas Corporate Bodies	1,50,000	1.64						
Clearing Members	3,776	0.04						
GRANDTOTAL (1+2+3)	9142005	100.00	10200000	52.73	**---**	**---**	19342005	100.00

^calculated as a %age of Present Voting Capital.

The total No of shareholders in public category as on 30.06.2010 are 3388.

5.4. There was a trading of 35,159 shares of OSL on 23.07.2010 i.e., the date of Public Announcement at BSE. There was no trading in the shares of OSL at CSE and MSE on the date of Public Announcement.

5.5. The details of the buildup of the Promoter shareholding in the Target Company are as follows;

Shareholdings			Purchase / Inter se Transfer/ transmission made during the year	Sale / Inter se /Transfer/ transmission made during the year	Mode of allotment / acquisition	Shareholdings			Status of compliance with SEBI (SAST) Regulations, other regulations under SEBI Act, 1992 & statutory requirements as applicable
As on	No. of Shares	%				As on	No. of Shares	%	
01.04.2001	18,82,190	37.64	59471 (1.19%)		Market Purchase	31.03.2002	14,91,314	29.12	NA*
				(450367) (9.00%)	Market Sale				
01.04.2002	14,91,214	29.12	6700 (0.13%)	-	Market Purchase	31.03.2003	14,97,994	29.96	NA
01.04.2003	14,97,994	29.96	66075 (1.32%)		Market Purchase	31.03.2004	1554069	30.58	NA
				(10000) (0.20%)	Market Sale				
01.04.2004	1554069	30.58	46150 (0.92%)	-	Market Purchase	31.03.2005	1600219	31.50	NA
01.04.2005	1600219	31.50	22403066[1]		Bonus and split of shares	31.03.2006	23509590	31.34	NA
			23250 (0.01%)		Market Purchase				
			1283250[2] (1.71%)	(1283250) (1.71%)	Transmission				
				(516945) (0.69%)	Market Sale				
01.04.2006	23509590	31.34		(21158632)[3]	Consolidation of shares	31.03.2007	2355358	31.40	NA
			4400 (0.058%)		Market Purchase				
01.04.2007	2355358	31.40	101494 (1.35%)	-	Market Purchase	31.03.2008	2456852	30.90	NA
01.04.2008	2456852	30.90	18,140 (0.24%)	-	Market Purchase	31.03.2009	2474992	31.13	NA
01.04.2009	2474992	31.13	40795 (0.51%)	-	Market Purchase	31.03.2010	2515787[4]	27.52	NA
01.04.2010	2515787	27.52	10200000 (52.73%)	-	Preferential allotment	23.07.2010	12715787	65.74	Yes

N.A means not applicable
*Since the transfer was effected prior to 30th September 2001.

[1] Total 22,40,366 Shares were allotted to promoters by the Target Company pursuant to Bonus Issue in the ratio 1:2 and sub-division of Face Value of Equity Share from Rs.10 each to Re.1 each.

[2] 1283,250 Shares were transferred from Mr. Mani RS (part of Promoter Group) to Ms. Simi Hari (Wife of Mr. Mani RS) pursuant to transmission.

[3] Pursuant to consolidation of the Face Value of Re.1 each to Rs.10 and total 2,11,58,632 number of Equity Shares were reduced.

[4] During the year 2009-2010, 1191705 equity were issued by the Target Company on preferential basis to non-promoters, pursuant to which the %age of shareholding of the Promoters got reduced on the then expanded capital of the Target Company from 31.13 %age to 27.52 %age.

Shareholding of the Promoters :

Name of the Promoters	**Before the date of PA**		**As on date of PA i.e., 23.07.2010**	
	No. of shares	**%age**	**No. of shares**	**%age**
B.Hari	19,59,395	21.43%	31,59,395	16.33%
Swarnam Mani	253852	2.78%	253852	1.31%
Simi Hari	265040	2.90%	265040	1.37%
Sunita G	37500	0.41%	37500	0.20%
RP Infosystems Pvt Ltd	NA	NA	90,00,000	46.53%
TOTAL	**2515787**	**27.52%**	**1,27,15,787**	**65.74%**

5.6. Status of Corporate Governance

M/s. Goenka Shaw & Co. Chartered Accountant and Statutory auditor of the company vide its certificate dated 02.08.2010 has stated :

We have examined the compliance of conditions of Corporate Governance by ONTRACK SYSTEMS LTD., for the period ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor' an expression of opinion on the Financial Statements of the Company

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

5.7. Pending Litigations:

Cases	Filed at court	Value (Rs.)	Filed by
1. (a) Sushanta Bhushan Dev VS Ontrack Systems Limited	Alipore Court, Kolkata	8,60,000.00	Ontrack Systems Limited
(b) Sushanta Bhushan Dev VS B. Hari	Alipore Court, Kolkata	6,00,000.00	B. Hari
2. Sujan Disouza VS Ontrack Systems Limited	Patiala Court, New Delhi	38,00,000.00	Ontrack Systems Limited
3. Income Tax (A.Y. 2003-04)	CIT (A) VI, Chennai	8,36,456.00	Ontrack Systems Limited
4. Income Tax (A.Y. 2004-05)	CIT (A) VI, Chennai	2,95,553.00	Ontrack Systems Limited
5. Income Tax (A.Y. 2005-06)	CIT (A) VI, Chennai	91,59,563.00	Ontrack Systems Limited
6. Income Tax (A.Y. 2006-07)	AO, VI, Chennai	4,36,678.00	Ontrack Systems Limited
7. Income Tax (A.Y. 2007-08)	AO, VI, Chennai	9,28,415.00	Ontrack Systems Limited
8. VAT, West Bengal	VAT, Forum	11,32,000.00	Ontrack Systems Limited
Total		**1,80,48,665.00**	

5.8 Compliance Officer:

Mr. S. V. Ramani, Company Secretary, Ontrack Systems Limited, Y-18 EP Block, Sector V,Salt Lake, Kolkata - 700091 is acting as Compliance Officer of the Company, Ph. 91-33-23572555/56; Fax: 91-33-23572564, E-mail :. ramani@ontrackindia.com

6. OFFER PRICE & FINANCIAL ARRANGEMENTS:

6.1. Justification of Offer Price:

6.1.1. The Equity Shares of OSL are presently listed at BSE, CSE and MSE only. The shares of the Target Company are not traded under permitted category on any other stock exchanges.

6.1.2. The Annualised trading turnover during the preceding six calendar months ended June 2010 in BSE is as follows:

Name of Stock Exchange	Total no of shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualised Trading Turnover (in terms of % to total listed shares)
BSE	1983559	9142005	43.39%
CSE	Not Traded	Nil	Nil
MSE	Not Traded	Nil	Nil

6.1.3. The shares of OSL are listed on Bombay Stock Exchange Limited ("BSE"), The Calcutta Stock Exchange Limited ("CSE") and Madras Stock Exchange Limited ("MSE"). Based on available information, the equity shares of the Target Company are frequently traded on the BSE and infrequently traded on the CSE and MSE within the meaning of explanation (i) to Regulation 20(5) of the Regulations and therefore the Offer Price has been determined taking into account the following parameters:

S.no.	Particulars	Price (in Rs. Per Share)
(a)	Negotiated Price under the Agreement	N.A.
(b)	Highest Price paid by the Acquirers/PACs for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	12/-

S.no.	Particulars	Price (in Rs. Per Share)
(c)	Average of the weekly high and low of the closing prices of the equity shares of OSL during the 26 weeks preceding the date of Board Meeting in which allotment pursuant to the Preferential Issue was made# (July 21, 2010)	12.94
(d)	Average of daily high and low prices of the equity shares of OSL during the 2 weeks preceding the date of Board Meeting in which allotment pursuant to the Preferential Issue was made# (July 21, 2010)	14.69
(e)	Average of high and low of the closing prices of the equity shares of OSL during the 26 weeks preceding the date of Public Announcement.# (July 23,2010)	13.08
(f)	Average of daily high and low prices of the equity shares of OSL during the 2 weeks preceding the date of Public Announcement.# (July 23,2010)	15.05
(g)	**Other Parameters**	Based on Audited Accounts for the year ended 31.03.2010
	Return on Net worth (%)	1.51
	Book Value per share (Rs.)	12.04
	Earnings per Share (Rs.)	0.18
	Industry Average P/E Multiple*	13.1
	Offer price P/E Multiple**	94.44

*(Source: Capital Market Journal Vol. XXV/10 July 12 – July 25, 2010, Industry – Computers Software – Medium/ Small)
**Offer price/EPS
(Sources: www.bseindia.com)

In view of the above, the Offer price of Rs. 17/- per share is justified in terms of regulation 20(4) and 20(5) of the Regulations.

Calculation of average price as per Regulation 20(4)(c) is as follows:
Average of high and low of the closing prices of the equity shares of OSL during the 26 weeks preceding the date of Public Announcement.

Week No.	Week Ending on	High (Rs.)	Low (Rs.)	Average (Rs.)
1.	Thursday, July 22, 2010	17.87	15.38	16.63
2.	Thursday, July 15, 2010	15.38	13.90	14.64
3.	Thursday, July 08, 2010	15.25	14.35	14.80
4.	Thursday, July 1, 2010	14.95	13.50	14.23
5.	Thursday, June 24, 2010	14.40	13.80	14.10
6.	Thursday, June 17, 2010	16.00	14.55	15.28
7.	Thursday, June 10, 2010	17.00	15.40	16.20
8.	Thursday, June 03, 2010	16.10	14.65	15.38
9.	Thursday, May 27, 2010	14.05	13.40	13.73
10.	Thursday, May 20, 2010	16.50	14.35	15.43
11.	Thursday, May 13, 2010	17.40	15.95	16.68
12.	Thursday, May 06, 2010	16.16	15.30	15.73
13.	Thursday, April 29, 2010	15.69	15.19	15.44
14.	Thursday, April 22, 2010	17.49	16.04	16.77
15.	Thursday, April 15, 2010	15.25	12.08	13.67
16.	Thursday, April 08, 2010	10.60	10.00	10.30
17.	Thursday, April 01, 2010	10.48	9.42	9.95
18.	Thursday, March 25, 2010	10.50	9.40	9.95
19.	Thursday, March 18, 2010	10.74	10.00	10.37
20.	Thursday, March 11, 2010	11.10	10.20	10.65
21.	Thursday, March 04, 2010	10.83	10.55	10.69
22.	Thursday, Feb 25, 2010	10.75	9.10	9.93
23.	Thursday, Feb 18, 2010	10.25	9.31	9.78
24.	Thursday, Feb 11, 2010	10.70	9.60	10.15
25.	Thursday, Feb 04, 2010	10.20	9.79	10.00
26.	Thursday, Jan 28, 2010	10.00	9.13	9.57
			Total of Average Prices of 26 Weeks(A)	**339.99**
			No. of Weeks (B)	**26.00**
			Avg. Price(A)/ (B)	**13.08**

2 weeks daily high/ low

Average of daily high and low prices of the equity shares of OSL during the 2 weeks preceding the date of Public Announcement.

Day No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)
1.	Thursday, July 22, 2010	17.87	15.60	16.74
2.	Wednesday, July 21, 2010	16.50	15.00	15.75
3.	Tuesday, July 20, 2010	16.20	15.10	15.65
4.	Monday, July 19, 2010	16.48	14.45	15.47
5.	Friday, July 16, 2010	16.40	14.01	15.21
6.	Thursday, July 15, 2010	15.38	13.50	14.44
7.	Wednesday, July 14, 2010	14.98	13.45	14.22
8.	Tuesday, July 13, 2010	14.05	13.35	13.70
9.	Monday, July 12, 2010	15.15	13.22	14.19
10.	Friday, July 09, 2010	16.30	14.03	15.17
			Total of Average Prices of 2 Weeks(A)	**150.51**
			No. of Days in which there was trading (B)	**10**
			Avg. Price(A)/ (B)	**15.05**

Calculation of average price as per Regulation 20(11)(ii) is as follows:

Weekly high and low of the closing prices of the equity shares of OSL during the 26 weeks preceding the date of Board Meeting in which allotment pursuant to the Preferential Issue was made (July 21, 2010)

Week No.	Week Ending on	High (Rs.)	Low (Rs.)	Average (Rs.)
1.	Tuesday, July 20, 2010	15.55	13.99	14.77
2.	Tuesday, July 13, 2010	15.00	13.90	14.45
3.	Tuesday, July 06, 2010	15.25	14.25	14.75
4.	Tuesday, Jun 29, 2010	14.00	13.50	13.75
5.	Tuesday, Jun 22, 2010	15.30	13.80	14.55
6.	Tuesday, Jun 15, 2010	16.20	15.40	15.80
7.	Tuesday, Jun 08, 2010	17.00	15.35	16.18
8.	Tuesday, Jun 01, 2010	15.25	13.95	14.60
9.	Tuesday, May 25, 2010	15.00	13.40	14.20
10.	Tuesday, May 18, 2010	16.60	15.10	15.85
11.	Tuesday, May 11, 2010	17.40	15.30	16.35
12.	Tuesday, May 04, 2010	16.16	15.20	15.68
13.	Tuesday, Apr 27, 2010	16.64	15.19	15.92
14.	Tuesday, Apr 20, 2010	17.49	15.25	16.37
15.	Tuesday, Apr 13, 2010	14.49	10.07	12.28
16.	Tuesday, Apr 06, 2010	10.60	10.00	10.30
17.	Tuesday, Mar 30, 2010	9.90	9.42	9.66
18.	Tuesday, Mar 23, 2010	10.50	9.40	9.95
19.	Tuesday, Mar 16, 2010	10.74	10.00	10.37
20.	Tuesday, Mar 09, 2010	11.10	10.25	10.68
21.	Tuesday, Mar 02, 2010	10.83	10.40	10.62
22.	Tuesday, Feb 23, 2010	10.75	9.10	9.93
23.	Tuesday, Feb 16, 2010	10.70	9.92	10.31
24.	Tuesday, Feb 09, 2010	10.20	9.60	9.90
25.	Tuesday, Feb 02, 2010	10.20	9.75	9.98
26.	Tuesday, Jan 26, 2010	9.69	8.82	9.26
			Total of Average Prices of 26 Weeks(A)	**336.43**
			No. of Weeks (B)	**26**
			Avg. Price(A)/ (B)	**12.94**

Average of daily high and low prices of the equity shares of OSL during the 2 weeks preceding the date of Board Meeting in which allotment pursuant to the Preferential Issue was made (July 21, 2010)

2 weeks daily high/ low

Day No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)
1.	Tuesday, July 20, 2010	16.20	15.10	15.65
2.	Monday, July 19, 2010	16.48	14.45	15.47
3.	Friday, July 16, 2010	16.40	14.01	15.21
4.	Thursday, July 15, 2010	15.38	13.50	14.44
5.	Wednesday, July 14, 2010	14.98	13.45	14.22
6.	Tuesday, July 13, 2010	14.05	13.35	13.70
7.	Monday, July 12, 2010	15.15	13.22	14.19
8.	Friday, July 09, 2010	16.30	14.03	15.17
9.	Thursday, July 08, 2010	15.25	13.60	14.43
10.	Wednesday, July 07, 2010	14.95	13.84	14.42
			Total of Average Prices of 2 Weeks(A)	**146.87**
			No. of Days in which there was trading (B)	**10**
			Avg. Price(A)/ (B)	**14.69**

The shares of the Target Company valued in terms of Regulation 20(5) of the Regulations.

Mr. Saroj K. Swain, Partner of M/s. Goenka Shaw & Co. (Membership No. 061912) Chartered Accountants having its office at 8, Ganesh Chandra Avenue, 6th Floor, Kolkata – 700 013, Telefax : (033) 2237 8631, E-mail : goenkashaw@gmail.com vide certificate dated 22.07.2010 has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the fair value of the equity shares of Target Company is Rs. 4.06 per share. The relevant contents of CA Certificate are as follows:

a) **Net Asset Value (NAV)**: The Net Asset Value is Rs. 12.04 per share as per the audited annual report for the year-ended 31.03.2010.

b) **Profit Earning Capacity Value (PECV)**: The PECV Value per share based upon the Average Profit before Tax for the last 3 financial years ended 31st March 2010, assuming tax rate of 33.22% and capitalization factor of 15% comes to Rs. (10.92)

c) **Market Based Value**:

Particulars	**Amount In Rs.**
• Average of the weekly high and low of the closing prices of the equity shares of OSL during the 26 weeks preceding the date of Board Meeting in which allotment pursuant to the Preferential Issue was made# (July 21, 2010)	**12.94**
• Average of daily high and low prices of the equity shares of OSL during the 2 weeks preceding the date of Board Meeting in which allotment pursuant to the Preferential Issue was made# (July 21, 2010)	**14.69**
• Average of high and low of the closing prices of the equity shares of OSL during the 26 weeks preceding the date of Public Announcement.# (July 23,2010)	**13.08**
• Average of daily high and low prices of the equity shares of OSL during the 2 weeks preceding the date of Public Announcement.# (July 23,2010)	**15.05**

Higher of the above Rs. 15.05

Considering the Supreme Court decision in the Hindustan Lever Employees Union vs. Hindustan Lever Limited, 1995 (83 Com. Case 30), wherein the Honorable Court had opined that the fair value of a listed company could be assessed based on the following weightages: Market Based Value: 2; Earnings Based Value: 2; Net Asset Value: 1

Given the NAV of Rs. 12.04, PECV of Rs. (10.92) and Market based value of Rs. 15.05 as assessed above, if one were to apply this approach, the share price based on the weighted average would be Rs. 4.06 per share.

6.1.4. OSL does not have any partly paid up shares as on date of PA.

6.1.5. The Offer is not as a result of global acquisition resulting in indirect acquisition of OSL.

6.1.6. The Acquirers would be responsible for ensuring compliance with the Regulations for the consequences arising out of the acquisition of shares, if any, made after the date of Public Announcement i.e. 23.07.2010 in terms of Regulation 20(7) of the Regulations.

6.1.7. It is ensured that the Offer Price shall not be less than the highest price paid by the Acquirers for any acquisition of shares of the OSL from the date of Public Announcement upto 7 working days prior to the closure of the offer viz. 04.10.2010.

6.2. Financial arrangements:

6.2.1 The Acquirers have adequate financial resources and have made firm financial arrangements in the form of Cash and Bank Balances / Liquid Assets and Investments for the implementation of the Offer in full out of their own sources/ Net worth and no borrowings from any Bank and/or Financial Institutions are envisaged. Mr. Sanat Pyne, Chartered Accountant (Membership No. 066261) proprietor of M/s. S. Pyne & Associates having office at 2nd Bye Lane, Shibpur Road, Howrah- 711102, Tel: (033) 26423563, E-mail: sanatpyne@gmail.com has certified vide certificate dated 21.07.2010 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

6.2.2 The maximum consideration payable by the Acquirers assuming full acceptance of the Offer would be Rs. 6,57,62,817/- (Rupees Six crores fifty seven lacs sixty two thousand eight hundred seventeen Only).

6.2.3 By way of security for performance of Acquirers obligations under the Regulations, an unconditional, irrevocable and on demand bank guarantee dated July 21, 2010 ("**Bank Guarantee**") has been issued by State Bank of India, Park Street Branch, Kolkata, on behalf of the RPIPL in favour of the Manager to the Offer which is valid up to and including November 30, 2010 for an amount up to Rs. 2,00,00,000 (Rupees Two Crores only) being more than 25% of the consideration payable under the Open Offer.

6.2.4 Further the Acquirers have opened an Escrow Account in HDFC Bank Limited, 3A, Gurusaday Road Kolkata - 700 019 ('Escrow Banker') and made therein a Cash deposit of Rs. 6,58,000/- (Rupees Six Lacs Fifty Eight Thousand only) being in excess of 1% of the total consideration payable under the Open Offer. The Bank Guarantee and Escrow Account are together referred to as "**Escrow Accounts**".

6.2.5 The Manager to the Offer has been duly authorized to realize the value of the aforesaid Escrow Accounts in terms of the Regulations.

6.2.6 Based on the aforesaid financial arrangements and based on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER:

7.1. The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of OSL (except the Acquirers) whose name appear on the Register of Members and to the beneficial owners of the shares of the OSL whose names appear on the beneficial records of the Depository Participant, at the close of business hours on 06.08.2010 ("Specified Date").

7.2. All owners of the shares, Registered or Unregistered (except the Acquirers) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

7.3. Accidental omission to dispatch this LO or the non-receipt or delayed receipt of this LO will not invalidate the Offer in any way.

7.4. Subject to the conditions governing this Offer, as mentioned in the LO, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

7.5. Locked-in Shares:
There are no locked-in shares in OSL other than the entire pre-preferential shareholding of the Acquirers pursuant to and in compliance of provision 78(6) if the SEBI (ICDR) Regulations.

7.6. Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the Acquirers) whose names appeared in the register of shareholders on 06.08.2010 and also to those beneficial owners ("Demat holders") of the equity shares of OSL, whose names appeared as beneficiaries on the records of the respective Depository Participants ("DP") at the close of the business hours on 06.08.2010 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

7.7. Statutory Approvals and conditions of the Offer:

7.7.1 The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.

7.7.2 As on the date of this PA, to the best of the knowledge of the Acquirers, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

7.7.3 In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of SEBI (SAST) Regulations, 1997. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.

7.7.4 To the best of the knowledge of the Acquirers, no approvals from banks / financial institutions are required to make this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

8.1. The Shareholder(s) of OSL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance at the following address:

Cameo Corporate Services Ltd
(Contact Person: Ms. Priya)

Subramanian Building
#1, Club House road, Chennai – 600 002
Tel : 044-28460390 (5 Lines)
Fax: (044) 2846 0129
Email : investor@cameoindia.com

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 13.10.2010. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	10.00 a.m.to 5.00 p.m.	Hand Delivery
Saturday	10.00 a.m to 1.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

8.2. Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent.

8.2.1. For Equity Shares held in physical form:

(i) Registered shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- Original Share Certificates
- Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with OSL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LO.

(ii) Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein.
- Original share Certificate(s)
- Broker contract note.
- Valid share transfer form(s) as received from the market. The details of the buyer should be left blank failing which the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

8.2.2. For equity shares held in Demat Form:

Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depositories.

- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off- market " mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of the business hours on 13.10.2010.

8.3. The Registrar to the Offer, Cameo Corporate Services Ltd has opened a special depository account with Stock Holding Corporation of India Ltd. (Registered with NSDL). The details of the special depository account are as follows:-

DP Name	Stock Holding Corporation of India Ltd
DP ID	IN301080
Client ID	22773659
Account name	CAMEO CORPORATE SERVICES LIMITED ESCROW A/C OSL OPEN OFFER
Depository	National Securities Depository Limited (NSDL)

8.4. For each delivery instruction, the beneficial owner should submit a separate Form of acceptance. In the case of Demat shares, the shareholders are advised to ensure that their shares are credited in favour of special depository account, before the closure of the Offer. The Form of acceptance of such Demat shares not credited in favour of the Special Depository Account before the closure of the Offer is liable to be rejected.

8.5. The Share Certificate(s), Share Transfer Form, Form of Acceptance, Form of Withdrawal and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.

8.6. In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of OSL. The Public Announcement, LO, Form of Acceptance Cum Acknowledgement and Form of Withdrawal will be available on SEBI website at www.sebi.gov.in, from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, regd. folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares Offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e.13.10.2010. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid. In case of beneficial owners, they may send their applications in writing to the Registrar to the Offer, on a plain paper stating their name, address, no. of shares held, no. of shares offered, DP name, DP ID No., beneficiary account number, and a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off- market" mode, duly acknowledged by DP in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer.

8.7. Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.8. While tendering the equity shares under the Offer, NRIs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such equity shares tendered. While tendering shares under the Offer, NRI/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, the Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

8.9. As per the provisions of Section 196D(2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act.

8.10. The Acquirers shall complete all procedures relating to the Offer including payment of consideration to the shareholders by.28.10.2010. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond 28.10.2010.

8.11. Payment of consideration will be made by crossed account payee cheques /demand s / pay orders / through ECS mode of payment and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirers in part or in full except in case of joint holders, cheques / demand s/ pay orders/ECS Credit, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques / demand s / pay orders. In order to get payment through ECS mode shareholders are requested to provide their Bank Details like Account Number, Name of the Bank and its address, IFSC Code of Bank etc.

8.12. In case the shares tendered in the Offer by the shareholders of OSL are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis. The marketable lot for both physical and demat shares is 1(One). The rejected Applications / Documents will be sent by Registered Post.

8.13. Unaccepted share certificates, transfer forms & other documents, if any, will be returned by registered post at the shareholders/ unregistered owners sole risk to the sole / first shareholder. Shares held in Demat Form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owners.

8.14. The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of OSL who have accepted the Offer, till the Cheques/s for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

8.15. In case any person has lodged shares of OSL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 8.6 above together with the acknowledgement of lodgment of shares for transfer. Such persons should also instruct OSL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reaches the Registrar to the Offer on or before the Offer closing date.

8.16. In case any person has tendered his physical shares in OSL for dematerialization & such dematerialization has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by shareholders DP. Such shareholders should ensure the credit of the shares to the special depository account on or before the Offer closing date.

8.17. In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold. In case the shares were sold directly (off Market), this Document may be forwarded to the Purchaser of the Shares

8.18. The shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of closure of the Offer, i.e. on or before 08.10.2010. in terms of Regulation 22(5A).

8.19. The withdrawal option can be exercised by submitting the document as per the instruction below, so as to reach the Registrar to the Offer on or before 08.10.2010. The withdrawal option can be exercised by submitting the form of withdrawal.

8.20. In case of non-receipt of the form of withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

a. In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
b. In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

8.21. The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

9. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue 2nd Floor, Suite No. 2C, Kolkata – 700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 24.09.2010 to 13.10.2010.

i) Memorandum & Articles of Association of Ontrack Systems Limited along with Certificate of Incorporation.

ii) Memorandum & Articles of Association of R.P. Infosystems Pvt. Ltd along with Certificate of Incorporation

iii) Audited Annual Reports for the year ended, 30th June 2007, 30th September 2008, 30th September 2009 and certified financials for the period ended 31st March 2010 of R.P. Infosystems Pvt. Ltd.

iv) Audited Annual Reports for the year ended 31st March 2008 and 31st March 2009 & 31st March 2010 and certified financials for the period ended 3oth June 2010 of Ontrack Systems Limited.

v) Certificate dated 21.07.2010 from Mr. Sanat Pyne, Chartered Accountant (Membership No. 066261) proprietor of M/s. S. Pyne & Associates having office at 2nd Bye Lane, Shibpur Road, Howrah- 711102, Tel: (033) 26423563, E-mail: sanatpyne@gmail.com that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

vi) Certificate dated 22.07.2010 from Mr. Saroj K. Swain, Partner of M/s. Goenka Shaw & Co. (Membership No. 061912) Chartered Accountants having its office at 8, Ganesh Chandra Avenue, 6th Floor, Kolkata – 700 013, Telefax : (033) 2237 8631, E-mail : goenkashaw@gmail.com relating to fair value of the Equity Shares of the Target Company as per Regulation 20(5) of the Regulations.

vii) The copy of Escrow agreement entered into between the Acquirers, HDFC Bank Limited, Kolkata and the Manager to the Open Offer for opening of Escrow Account.

viii) Copy of the Public Announcement for the Offer dated 23.07.2010 and Corrigendum to the Public Announcement dated 15.09.2010.

ix) Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer, dated 22nd July, 2010.

x) Copy of SEBI letter no. CFD/DCR/TO/SS/OW/ 18360 /10 dated September 01, 2010 issued in terms of proviso to the regulation 18(2) of the regulations.

10. DECLARATION BY THE ACQUIRERS:

The Acquirers and its directors accept full responsibility for the information contained in this letter of Offer and also for their obligations as laid down in Regulation No 22(6) of the Regulations.

For R.P. Infosystems Pvt. Ltd

Sd/-
Director

Sd/-
B.Hari

Place: KOLKATA
Date: 16.09.2010

Attached: Form of Acceptance cum Acknowledgement & Form of Withdrawal

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,
CAMEO CORPORATE SERVICES LTD
SUBRAMANIAN BUILDING, 1,
CLUB HOUSE ROAD CHENNAI – 600 002

Date:

OFFER	
Opens on	24.09.2010
Closes on	13.10.2010
Last date of Withdrawal	08.10.2010

Dear Sir,

Subject: Open Offer by R.P. Infosystems Pvt. Ltd & B.Hari to the Equity Shareholders of Ontrack Systems Limited (hereinafter referred to as the "Target Company" or "OSL") to acquire from them 38,68,401 **equity shares of Rs. 10/- each aggregating 20% of the Present Voting capital of OSL @ Rs. 17/- per fully paid up equity share.**

I/We refer to the Letter of Offer dated 16.09.2010 for acquiring the equity shares held by us in ONTRACK SYSTEMS LIMITED
I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

SHARES IN PHYSICAL FORM

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

Sr. No.	**Ledger Folio No.**	**Certificate No(s).**	**Distinctive No(s).**	**No. of shares**
Total number of equity shares				

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers(s) gives the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

SHARES IN DEMATERIALISED FORM

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

DP Name	**DP ID**	**Client ID**	**No. of Shares**	**ISIN No.**
Total number of shares				

I/We have done an off market transaction for crediting the Shares to the special account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.
I/We note and understand that the Shares would reside in the depository account opened for the purpose of this Offer until the time the Acquirers accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.
I/We confirm that the equity shares of ONTRACK SYSTEMS LIMITED, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We authorize the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.
I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the /cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.
I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	**Address**	**Signature**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.
Place:
Date:

Bank Details

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS the shareholder(s) may, at their option, provide details of bank account of the first/sole shareholder and the consideration cheque or demand will be drawn accordingly.
I/we permit the Acquirers or the Manager to the Offer to make the payment of Consideration through Electronic Clearing Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.
Savings/Current/(Others; please specify) : ____
Name of the Bank Branch: ____
Account Number: ____IFSC Code of Bank---

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

Acknowledgement slip

Ledger Folio No. __________________________________DP ID _________________________ Client ID_____________________________
Received from _______________________________ ____________an application for sale of ___________Equity Share(s) of ONTRACK SYSTEMS LIMITED together with _________share certificate(s) bearing Certificate Numbers ___________________________ and ________transfer deed(s)/ photocopy of "Off-market" delivery instruction duly acknowledged by the DP.
Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned above.

Date of receipt **Signature of the official**

FORM OF WITHDRAWAL
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER	
Opens on	24.09.2010
Closes on	13.10.2010
Last date of Withdrawal	08.10.2010

From:

Name:
Address:

Tel. No.
Fax No.
E-mail:

To,
CAMEO CORPORATE SERVICES LTD
SUBRAMANIAN BUILDING, 1,
CLUB HOUSE ROAD, CHENNAI – 600 002
Dear Sir,

Subject: Open Offer by R.P. Infosystems Pvt. Ltd & B. Hari to the Equity Shareholders of Ontrack Systems Limited (hereinafter referred to as the "Target Company" or "OSL") to acquire from them 38,68,401 **equity shares of Rs. 10/- each aggregating 20% of the Present Voting capital of OSL @ Rs. 17/- per fully paid up equity share.**

We refer to the Letter of Offer dated 16.09.2010 for acquiring the equity shares held by me/us in ONTRACK SYSTEMS LIMITED
We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.
We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirers /Manager to the Offer/ Registrar to the Offer.
We note that this Form of Withdrawal should reach the Registrar to the Offer before the last date of withdrawal i.e. 08.10.2010. We note that the Acquirers /Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP Account due to inaccurate / incomplete particulars / instructions.
We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the depositories from time to time.

SHARE HELD IN PHYSICAL FORM

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger folio No.	Certificate No.	Distinctive No.		No. of Shares
			From	To	
Total number of shares					

SHARES HELD IN DEMAT FORM

We have tendered the shares in the offer which was done in an off market transaction for crediting the shares to the "CAMEO CORPORATE SERVICES LTD -OSL – OPEN OFFER ESCROW ACCOUNT" as per the following particulars:
DP ID : IN301080
DP Name : Stock Holding Corporation of India Ltd
Beneficiary ID Number : 22773659

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our shares have been tendered are as detailed below:

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

I/We note that the shares will be credited back only to that Depository Account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.
I/We confirm that the particulars given above are true and correct.
In case of dematerialised shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.
Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	**Address**	**Signature**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. A corporate body must sign under its official name. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. Applicants are requested to clearly mark the envelope with the words "ONTRACK SYSTEMS LIMITED Open Offer" while sending the documents to the registrar to the offer. All future correspondence, if any, should be sent to the registrar to the offer, CAMEO CORPORATE SERVICES LTD. (unit: ONTRACK SYSTEMS LIMITED), at their aforesaid address.
Place: Date:

-- TEAR HERE---

ACKNOWLEDGEMENT RECEIPT

Received Form of Withdrawal from Mr./ Mrs./Ms. --

Folio No.--------------------------------DP ID --------------------------- Client ID NO. --------------------------------Number of shares tendered -----------------

Number of share withdrawn ---

Stamp of Registrar **Signature of official** **Date of Receipt**

BOOK POST / U.C.P

To

If undelivered, please return to
M/s. CAMEO CORPORATE SERVICES LIMTED,
Unit: ONTRACK SYSTEMS LTD.,
"Subramanian Building",
No.1, Club House Road,
Chennai – 600 002.