

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder (*as defined hereinafter*) of R Systems International Limited (the "**Company**") as on the Record Date (*as defined hereinafter*) in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "**Buyback Regulations**"). If you require any clarifications about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buyback i.e. Motilal Oswal Investment Advisors Private Limited or the Registrar to the Buyback i.e. Link Intime India Private Limited. Please refer to the section on "**Definitions**" for the definition of the capitalized terms used herein.



Caring - Innovating - Transforming

Registered Office: B - 104A, Greater Kailash - I, New Delhi - 110 048

Correspondence Address: C - 40, Sector - 59, Noida, Uttar Pradesh- 201 307

Tel. No.: +91 120 4303500 | Fax: +91 120 4082699

E-mail: investors@rsystems.com | Website: www.rsystems.com

Corporate Identification Number (CIN): L74899DL1993PLC053579

Contact Person: Mr. Ashish Thakur, Company Secretary and Compliance Officer

Tel. No.: +91 120 4303500 | Fax: +91 120 4082699 | E-mail: investors@rsystems.com

Cash offer to buy back up to 3,000,000 (Thirty Lakhs) fully paid-up equity shares of face value ₹ 1 each ("**Equity Shares**") ("**Buyback**"), representing up to 2.36% of the total paid-up equity share capital of the Company, from all the fully paid-up equity shareholders/ beneficial owners of the Equity Shares of the Company as on the record date i.e. Friday, September 30, 2016 ("**Record Date**"), on a proportionate basis, through the "**Tender Offer**" route, at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share (the "**Buyback Price**") for an aggregate amount of up to ₹ 195,000,000 (Rupees Nineteen Crores Fifty Lakhs Only) (the "**Buyback Size**"). As required under the Buyback Regulations, Equity Shares to be bought back are divided into two categories: (i) reserved category for Small Shareholders (*as defined hereinafter*); and (ii) general category for all other shareholders.

1. The Buyback is in accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the "**Companies Act**"), the Buyback Regulations, Article 70 of the Articles of Association of the Company and is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/ or regulatory authority and which may be agreed to by the Board and/ or any sub-committee thereof.
2. The Buyback Size is 9.88% of the paid-up equity share capital and free reserves as per the standalone audited balance sheet of the Company for the financial year ended December 31, 2015 (the last standalone audited balance sheet available for the financial year as on the date of the Board meeting recommending the proposal of the Buyback, held on September 14, 2016) and is within the statutory limits of 10% of the total paid-up equity share capital and free reserves as per the last standalone audited financial statements of the Company for the financial year ended December 31, 2015. The Equity Shares proposed to be bought back represent 2.36% of the total number of paid-up equity share capital of the Company.
3. This Letter of Offer is sent to the Equity Shareholder(s)/ Beneficial Owner(s) of Equity Shares as on the Record Date i.e. Friday, September 30, 2016.
4. The procedure for tendering and settlement is set out in clause 20 on page 38 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the "**Tender Form**") is enclosed together with this Letter of Offer.
5. For mode of payment of consideration to the Equity Shareholders, please refer to clause 20 (XXV) on page 43 of this Letter of Offer.
6. A copy of the Public Announcement and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India- <http://www.sebi.gov.in>
7. Equity Shareholders are advised to refer to Details of the Statutory Approvals and Note on Taxation in clause 17 on page 33 and clause 21 on page 44, respectively, of this Letter of Offer, before tendering their Equity Shares in the Buyback.

BUY BACK OPENS ON: MONDAY, NOVEMBER 7, 2016

BUY BACK CLOSSES ON: MONDAY, NOVEMBER 21, 2016

LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: WEDNESDAY, NOVEMBER 23, 2016 BY 5 PM

MANAGER TO THE BUY BACK



Motilal Oswal Investment Advisors Private Limited

Motilal Oswal Tower, Rahimtullah Sayani Road

Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025

Maharashtra, India

Tel: +91 22 3980 4200 | Fax: +91 22 3980 4315

E-mail: rsystems.buyback2016@motilaloswal.com

Investor Grievance E-mail: moiaplredressal@motilaloswal.com

Website: <http://www.motilaloswalgroup.com>

Contact person: Mr. Subodh Mallya

SEBI Registration No.: INM000011005 (Permanent)

CIN: U67190MH2006PTC160583

REGISTRAR TO THE BUY BACK



Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg

Bhandup West, Mumbai 400 078

Maharashtra, India

Tel: +91 22 6171 5400 Fax: +91 22 2596 0329

E-mail: rsystems.buyback@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance E-mail: rsystems.buyback@linkintime.co.in

Contact person: Mr. Ganesh Mhatre

SEBI Registration No.: INR000004058/ Permanent

CIN: U679190MH1999PTC118368

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1. SCHEDULE OF ACTIVITIES

Activity	Day and Time
Date of the Board meeting to approve the proposal for Buyback of Equity Shares	Wednesday, September 14, 2016
Date of publication of Public Announcement for the Buyback	Friday, September 16, 2016
Record Date for determining the Buyback Entitlement and the names of Eligible Sellers	Friday, September 30, 2016
Buyback opens on / date of opening of Buyback	Monday, November 7, 2016
Buyback closes on / date of closing of Buyback	Monday, November 21, 2016
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar and Transfer Agent	Wednesday, November 23, 2016
Last date of verification by Registrar	Friday, November 25, 2016
Last date of providing Acceptance to the Stock Exchange by the Registrar	Tuesday, November 29, 2016
Last date of settlement of bids on the Stock Exchange	Wednesday, November 30, 2016
Last date of dispatch of share certificate(s) by RTA / return of unaccepted demat Equity Shares by Stock Exchange to Selling Member	Wednesday, November 30, 2016
Last date of extinguishment of Equity Shares	Wednesday, December 7, 2016

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

2. DEFINITION OF KEY TERMS

Term	Description
Acceptance	Acceptance of Equity Shares tendered by Eligible Sellers in the Buyback Offer.
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circular.
Additional Equity Shares or Additional Shares	Additional Equity Shares tendered by an Eligible Seller over and above the Buyback Entitlement of such Eligible Seller.
Articles	Articles of Association of the Company.
Board or Board of Directors	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof).
BSE	BSE Limited
Buyback or Buyback Offer or Offer	Buyback of up to 3,000,000 (Thirty Lakhs) fully paid-up Equity Shares at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share for an aggregate amount up to ₹ 195,000,000 (Rupees Nineteen Crores Fifty Lakhs Only) through Tender Offer.
Buyback Entitlement or Entitlement	The number of Equity Shares that an Eligible Seller is entitled to tender, in the Buyback, based on the number of Equity Shares held by such Eligible Seller, on the Record Date and the ratio / percentage of Buyback applicable to such Shareholder.
Buyback Price	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. ₹ 65 (Rupees Sixty Five Only) per Equity Share, payable in cash.
Buyback Size	Number of Equity Shares proposed to be bought back (i.e. 3,000,000 (Thirty Lakhs) fully paid-up Equity Shares) multiplied by the Buyback Price (i.e. a price of ₹65 (Rupees Sixty Five only) per Equity Share) aggregating to ₹ 195,000,000 (Rupees Nineteen Crores Fifty Lakhs Only).
Buyback Regulations	The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and the SEBI Circular.
CDSL	Central Depository Services (India) Limited

Term	Description
Committee or Committee of Directors or Buyback Committee	The Committee of Directors authorized for the purposes of the Buyback through a resolution of the Board dated September 14, 2016.
Companies Act or Act	Companies Act, 2013, and applicable rules thereunder.
Company	R Systems International Limited, unless the context states otherwise.
Company's Broker	Motilal Oswal Securities Limited
Company's Demat Account	The depository account entitled "R Systems International Limited" opened by the Company.
DP	Depository Participant
Depositories	NSDL and CDSL
Designated Stock Exchange	The designated stock exchange for the Buyback is BSE.
Director	Director(s) of the Company.
Draft Letter of Offer (DLOF)	The Draft Letter of Offer dated September 23, 2016 filed with SEBI.
Eligible Shareholders or Eligible Person or Equity Shareholder or Eligible Seller	All persons holding (including beneficiary ownership) Equity Shares as on the Record Date.
Equity Shares	Fully paid-up equity shares of the Company each having a face value of ₹ 1 (Rupee One Only).
Escrow Account	The Escrow Account titled "RSIL BUYBACK OF EQUITY SHARES 2016 ESCROW ACCOUNT" opened with the Escrow Agent.
Escrow Agent	Kotak Mahindra Bank Limited
Escrow Agreement	The Escrow Agreement dated September 22, 2016 entered into between the Company, the Manager and the Escrow Agent.
FEMA	Foreign Exchange Management Act, 1999
FIIs	Foreign Institutional Investors
IT Act or Income Tax Act	Income-tax Act, 1961
Letter of Offer	This letter of offer dated October 21, 2016 containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer.
Manager to the Buyback or Manager to the Offer	Motilal Oswal Investment Advisors Private Limited
Non-Resident Indians	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
Non-Resident Shareholders	Includes Non-resident Indians (NRI), Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI) and erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals.
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
Promoter and Promoter Group	Promoter and promoter group as have been disclosed under the filings made by the Company under the listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Public Announcement	The public announcement, made in accordance with the Buyback Regulations, dated September 15, 2016, published in all editions (except for Mumbai and Pune editions) of the Business Standard (English national daily) and the Business Standard (Hindi national daily) (regional language daily since Hindi is the regional language at the place of the registered office of the Company) on September 16, 2016 each with wide circulation (and on September 17, 2016 for Mumbai and Pune editions of these newspapers). Refer Clause 5 of this Letter of Offer for further details.

Term	Description
Ratio of Buyback or Entitlement Ratio	The ratio of the Buyback: (i) in case of Small Shareholders (“Reserved Category”), 5 Equity Shares for every 67 Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Sellers other than Small Shareholders (“General Category”), 3 Equity Shares for every 142 Equity Shares held by such Eligible Seller on the Record Date. (To be read with Clause 19 on page 34).
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Sellers to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the proposed Buyback offer in accordance with the Buyback Regulations. The Record Date for the Offer is Friday, September 30, 2016.
Registrar to the Buyback	Link Intime India Private Limited
SEBI	Securities and Exchange Board of India
SEBI Circular	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.
Shareholders	Holders of Equity Shares and includes beneficial owners thereof
Seller Member or Shareholder Broker	A Stock Broker of an Eligible Seller through whom the Eligible Seller wants to participate in the Buyback.
Small Shareholder	‘Small Shareholder’ means a shareholder of the Company, who holds shares whose market value, on the basis of closing price of shares, on the recognized stock exchange in which highest trading volume in respect of such security, as on Record Date, is not more than ₹ 200,000 (Rupees Two Lakh Only).
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Tender Form	The form to be filled in by the Shareholders to participate in the Buyback.
Tender Offer	Method of Buyback as defined in Regulation 2(1)(o) of the Buyback Regulations.
TRS	Transaction Registration Slip
U.S.	United States / United States of America

3. DISCLAIMER CLAUSE

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

It should also be clearly understood that, while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager, Motilal Oswal Investment Advisors Private Limited, has furnished to SEBI a due diligence certificate dated September 23, 2016, in accordance with the Buyback Regulations, which reads as follows:

“We have examined various documents and material papers contained in the annexures to this Draft Letter of Offer relevant to the Buyback, as part of the due diligence carried out by us in connection with the finalization of the Public Announcement published on September 16, 2016 and the Draft Letter of Offer dated September 23, 2016. On the basis of such examination and the discussions with the Company, we hereby state that:

- 1) the Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;
- 2) all the legal requirements connected with the said offer including the SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
- 3) the disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders to make a well informed decision in respect of the captioned Buyback;
- 4) funds used for Buyback shall be as per the provisions of the Companies Act.”

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

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

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

NO OFFER TO SUBSCRIBE/PURCHASE/SELL, OR AN INVITATION TO SUBSCRIBE/PURCHASE/SELL, ANY SECURITIES OF THE COMPANY IN ANY JURISDICTION OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE/PURCHASE/SELL ANY SECURITIES INCLUDING THE EQUITY SHARES OF THE COMPANY

- Special notice to security holders in the United States that the Buyback is being made for securities of an Indian company and is subject to the laws of India. It is important for U.S. securities holders to be aware that this

Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the U.S. and has been prepared in accordance with Indian law, format and style, which differs from customary U.S. format and style. Certain of the U.S. federal securities laws apply to the Buyback as there are U.S. holders of Equity Shares. The Buyback is being treated in the U.S. as one to which the "Tier I" exemption mentioned in Rule 13(e)-4(h)(8) under the Securities Exchange Act of 1934, as amended, is applicable. This Letter of Offer, does not in any way, constitute an offer to sell, or an invitation to sell, or buy any securities in the United States of America, or in any other jurisdiction in which offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Users of the information contained in this Letter of Offer are requested to inform themselves about and to observe such restrictions.

- This Letter of Offer together with the Public Announcement that was published on September 16, 2016 in connection with this Buyback, has been prepared for the purposes of compliance with the regulations of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Letter of Offer. This Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe/purchase/sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe/purchase/sell any securities including the Equity Shares of the Company.
- No action has been or will be taken to permit the Buyback in any jurisdiction where action would be required for that purpose. This Letter of Offer shall be dispatched to all Equity Shareholders whose names appear on the register of members of the Company, as of the Record Date i.e. Friday, September 30, 2016. However, receipt of the Letter of Offer by any Eligible Seller in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Letter of Offer under any local securities laws), shall not be treated by such Eligible Seller as an offer being made to them and shall be construed by them as being sent for information purposes only.
- Persons in possession of this Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buyback/ Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

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

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on September 14, 2016. The extracts of the Board resolution are as follows:

"RESOLVED THAT pursuant to the provisions of Article 70 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **"Companies Act"**), the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the **"Buyback Regulations"**), including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of up to 3,000,000 (Thirty Lakhs) fully paid-up equity shares of Re. 1/- (Rupee One) each of the Company (**"Equity Shares"**) representing upto 2.36 % of the total paid-up Equity Share capital of the Company at a price of Rs. 65/- (Rupees Sixty Five only) per Equity Share (**"Buyback Price"**) payable in cash for an aggregate amount of up to Rs. 195,000,000/- (Rupees Nineteen Crores Fifty Lakhs Only) (**"Buyback Size"**), which is 9.88 % of the fully paid-up Equity Share capital and

free reserves as per the audited standalone balance sheet of the Company as on December 31, 2015, on a proportionate basis through the “**Tender Offer**” route as prescribed under the Buyback Regulations, to all of the shareholders who hold Equity Shares as of the Record Date (as defined below) (“**Buyback**”) and the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (“**SEBI**”), advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

RESOLVED FURTHER THAT Friday, September 30, 2016 shall be the record date for the purposes of the Buyback (“**Record Date**”).

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

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

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

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

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

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

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

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Mr. Ashish Thakur, Company Secretary, be and is hereby appointed as the Compliance Officer for the Buyback and Link Intime India Pvt. Ltd., Registrar and Transfer Agent of the Company, is appointed as the Registrar and Investor Service Centre.

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

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

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

b) that as regards its prospects for the year immediately following the date of Board Meeting, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from date of this meeting; and

c) that in forming their opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

RESOLVED THAT in terms of Section 68(6) of the Companies Act, 2013 read with Regulation 8(7) of the Buyback Regulations, the Board do adopt the Statement of Assets and Liabilities in the prescribed Form as at June 30, 2016 as per draft placed before the Board and that the same be signed by Mr. Satinder Singh Rekhi, Managing Director and Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director.

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

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) the Company shall not issue any Equity Shares or specified securities including by way of bonus till the date of closure of the Buyback;
- b) the Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations;
- c) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- d) the Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- e) there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of any term loans to any financial institution or banks;
- f) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act
- g) the maximum number of Equity Shares proposed to be purchased under the Buyback (up to 3,000,000 Equity Shares), does not exceed 10% of the total number of Equity Shares in the paid-up Equity Share capital as per the audited standalone balance sheet as on December 31, 2015;
- h) the Company shall not make any offer of buyback within a period of one year reckoned from the date of closure of the Buyback;
- i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and
- j) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback.

RESOLVED FURTHER THAT the draft of the public announcement and the draft letter of offer as required under Regulations 8 (1) of the Buyback Regulations or such other provisions, as placed before the Board be and is hereby approved and that Mr. Satinder Singh Rekhi, Managing Director, Lt. Gen. Baldev Singh (Retd.), President & Senior Executive Director and Mr. Ashish Thakur, Company Secretary and Compliance Officer, be and are hereby, jointly and/or severally, authorized to sign, execute and deliver, modify, sign and issue the final public announcement, draft letter of offer, letter of offer, other announcements required for the Buy-back, and provide affidavits, indemnity, undertaking,

consents, declarations, confirmations or such other documents as may be required from time to time, on behalf of the Board, as per the requirements of the Regulations or the Act.

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

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

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated September 15, 2016 for the Buyback of Equity Shares published on September 16, 2016 in the following newspapers. The Public Announcement was issued within 2 (two) working days from the date of passing of Board Resolution i.e. September 14, 2016. (A copy of the Public Announcement is available on the website of SEBI at www.sebi.gov.in.)

Name of Newspaper	Language	Edition
Business Standard (All regions except Mumbai and Pune)	English	September 16, 2016
Business Standard (All regions except Mumbai and Pune)	Hindi [#]	September 16, 2016
Business Standard (Mumbai and Pune)*	English	September 17, 2016
Business Standard (Mumbai and Pune)*	Hindi	September 17, 2016

[#]The regional language at the place where the Company has its registered office is Hindi.

* It may be noted that due to Ganesh Chaturdashi (Ganesh Visarjan) holiday in Mumbai and Pune on September 16, 2016, the newspapers did not publish their Mumbai and Pune editions on September 16, 2016. Hence, the said Public Announcement could not be published in Mumbai and Pune editions on September 16, 2016. The Public Announcement was published on September 17, 2016 editions of the Mumbai and Pune editions in the aforesaid newspapers.

6. DETAILS OF THE BUY BACK

- I. The Board of Directors of the Company, at their meeting held on September 14, 2016 (the “Board Meeting”), pursuant to the provisions of Article 70 of Articles of Association of the Company and Section 68, 69, 70 and other applicable provisions of the Companies Act, Buyback Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board, approved the buyback of up to 3,000,000 (Thirty Lakhs) fully paid-up Equity Shares representing upto 2.36% of the total paid-up Equity Share capital of the Company at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share payable in cash for an aggregate amount of up to ₹ 195,000,000 (Rupees Nineteen Crores Fifty Lakhs Only), which is 9.88% of the fully paid-up equity share capital and free reserves as per the standalone audited balance sheet of the Company for the financial year ended December 31, 2015, on a proportionate basis through the Tender Offer route as prescribed under the Buyback Regulations from all the shareholders who hold Equity Shares as of the Record Date.
- II. The Buyback Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisor’s fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.

- III. The aggregate paid-up share capital and free reserves of the Company as on December 31, 2015 was ₹ 19,734.10 lakhs and under the provisions of the Act, the funds deployed for Buyback shall not exceed 10% of the paid-up equity capital and free reserves of the Company under Board approval route, as provided for under the first proviso to Section 68(2) of the Companies Act. Accordingly, the maximum amount that can be utilized in the present Buyback is ₹ 1,973.41 lakhs. The Company has proposed to utilize an aggregate amount of up to ₹ 1,950 lakhs (Rupees Nineteen Crores Fifty Lakhs Only) for the Buyback which is within the maximum amount as mentioned above.
- IV. The shareholding of the promoter and promoter group of the Company (the “Promoter and Promoter Group”) and persons acting in concert as on the date of publication of the Public Announcement i.e. September 16, 2016 and as on the Record Date i.e. September 30, 2016 is as under:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Equity Shares
A. Promoter & Promoter Group			
1	Satinder Singh Rekhi	1,309,200	1.03
2	Harpreet Rekhi	760	Negligible
3	Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)	13,018,980	10.26
4	RightMatch Holdings Ltd.	9,272,000	7.31
5	GMU Infosoft Private Limited	9,673,035	7.62
6	GM Solutions Private Limited	10,242,424	8.07
7	U Infosoft Private Limited	9,866,760	7.78
8	Sartaj Singh Rekhi	5,991,340	4.72
9	Ramneet Singh Rekhi	5,066,130	3.99
10	Kuldeep Baldev Singh	6,080	Negligible
11	Anita Behl	1,697	Negligible
Total		64,448,406	50.80
B. Person Acting in Concert*			
1.	Lt. Gen. Baldev Singh (Retd.)	134,594	0.11
2.	Mandeep Singh Sodhi	692,625	0.55
3.	Vinay N. S. Behl	36,682	0.03
Total		863,901	0.69

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

- V. Shareholding of the directors of the Promoters and of Promoter Group companies in the Company as on the date of publication of Public Announcement i.e. September 16, 2016, and as on Record Date i.e. September 30, 2016 is as under:

Sr. No	Name of Shareholder	Number of Equity Shares	% of Equity Shares
Directors of RightMatch Holdings Ltd.			
1.	Satinder Singh Rekhi	1,309,200	1.03
2.	Harpreet Rekhi	760	Negligible
3.	Sartaj Singh Rekhi	5,991,340	4.72
4.	Ramneet Singh Rekhi	5,066,130	3.99
5.	Sangeeta Bissessur	-	-
6.	Zakir Niamut	-	-
Directors of GMU Infosoft Private Limited			
1.	Sartaj Singh Rekhi	5,991,340	4.72

Sr. No	Name of Shareholder	Number of Equity Shares	% of Equity Shares
2.	Ramneet Singh Rekhi	5,066,130	3.99
3.	Kuldeep Baldev Singh	6,080	Negligible
4.	Anita Behl	1,697	Negligible
Directors of GM Solutions Private Limited			
1.	Sartaj Singh Rekhi	5,991,340	4.72
2.	Ramneet Singh Rekhi	5,066,130	3.99
3.	Kuldeep Baldev Singh	6,080	Negligible
4.	Anita Behl	1,697	Negligible
Directors of U Infosoft Private Limited			
1.	Sartaj Singh Rekhi	5,991,340	4.72
2.	Ramneet Singh Rekhi	5,066,130	3.99
3.	Kuldeep Baldev Singh	6,080	Negligible
4.	Anita Behl	1,697	Negligible

- VI. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buyback. In this regard, members of the Promoter and Promoter Group have expressed their intention vide their letters dated September 14, 2016 to participate in the Buyback and offer up to an aggregate maximum number of 1,811,000 Equity Shares and some of the Persons acting in concert have expressed their intention vide their letters dated September 14, 2016 to participate in the Buyback and offer up to an aggregate maximum number of 125,000 Equity Shares, and hence Promoter and Promoter Group and Person Acting in Concert will offer in aggregate maximum number of 1,936,000 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/terms of the Buyback. The extent of their participation in the Buyback has been detailed in clause 9 (II) of this Letter of Offer.
- VII. The Promoter and Promoter Group of the Company hold 50.80% of Equity Shares in the total outstanding equity share capital of the Company. For details with respect to Promoter and Promoter Group shareholding post Buyback please refer clause 13(VII) of this Letter of Offer. Post Buyback the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

7. AUTHORITY FOR THE BUY BACK

Pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, and in accordance with Article 70 of the Articles of Association of the Company and subject to the provisions of the Buyback Regulations, and from any other statutory and/ or regulatory authority, as may be required and which may be agreed to by the Board and/ or any committee thereof, the Board of Directors at their meeting on September 14, 2016 have passed resolutions approving the Buyback.

8. NECESSITY OF THE BUY BACK

The Buyback is being undertaken by the Company to return surplus funds to the equity shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, effective and cost efficient manner. The Buyback is being undertaken for the following reasons:

- I. The Buyback will help the Company to distribute surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- II. The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve a reservation of 15% of the Buyback Size for small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholders";

- III. The Buyback would help in improving financial ratios like earnings per share and return on equity, by reducing the equity base of the Company; and
- IV. The Buyback gives an option to the Eligible Sellers to either choose to participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback or choose not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

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

- I. The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders up to their Buyback Entitlement, the funds deployed by the Company towards the Buyback would be ₹ 1,950 Lakhs (Rupees Nineteen Crores Fifty Lakhs only).
- II. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group and Person Acting in Concert of the Company have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated September 14, 2016, to participate in the Buyback and offer up to an aggregate maximum number of 1,811,000 Equity Shares and some of the Persons acting in concert have expressed their intention vide their letters dated September 14, 2016 to participate in the Buyback and offer up to an aggregate maximum number of 125,000 Equity Shares, and hence Promoter and Promoter Group and Person Acting in Concert will offer in aggregate maximum number of 1,936,000 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/terms of the Buyback.

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

Sr. No.	Name of Promoter and Promoter Group entity and Person acting in concert	Maximum Number of Equity Shares proposed to be tendered
A. Promoter and Promoter Group		
1.	Satinder Singh Rekhi	32,730
2.	Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)	425,480
3.	RightMatch Holdings Ltd.	231,800
4.	GMU Infosoft Private Limited	241,825
5.	G M Solutions Private Limited	256,060
6.	U Infosoft Private Limited	246,669
7.	Sartaj Singh Rekhi	199,783
8.	Ramneet Singh Rekhi	176,653
Sub-Total (A)		1,811,000
B. Person Acting in Concert		
1.	Lt. Gen. Baldev Singh (Retd.) ¹	25,000
2.	Mandeep Singh Sodhi ¹	100,000
Sub-Total (B)		125,000
Total (A + B)		1,936,000

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

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

A. Promoter and Promoter Group

(1) Satinder Singh Rekhi

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
May 14, 1993	Subscriber to MOA	10	10	10.00	Cash
February 3, 1996	Allotment	49,970	10	10.00	Cash
July 25, 2000	Transfer	(25,580)	10	20.00	Cash
August 20, 2000	Transfer	(24,400)	10	20.00	Cash
July 18, 2005	Transfer	28,500	2	42.06	Cash
January 04, 2006	Transfer	114,000	2	60.46	Cash
January 28, 2006	Transfer	84,000	2	50.26	Cash
January 30, 2006	Consolidation [@]	45,300	10	N.A.	N.A.
January 30, 2006	Bonus [^]	45,300	10	N.A.	N.A.
February 20, 2013	Off Market Purchase	40,320	10	200.00	Cash
February 28, 2014	Sub-Division [§]	1,309,200	1	N.A.	N.A.
Total Current Holding		1,309,200			

(2) Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
January 02, 2001	Allotment	52,260	10	10,848.00 (approx.)	Other than cash
January 05, 2001	Bonus*	940,680	10	N.A.	N.A.
January 05, 2001	Subdivision [#]	4,964,700	2	N.A.	N.A.
January 28, 2006	Transfer	(160,405)	2	0.00001	Cash
January 30, 2006	Consolidation [@]	960,859	10	N.A.	N.A.
January 30, 2006	Bonus [^]	960,859	10	N.A.	N.A.
September 18, 2013	Transfer ¹	(87,000)	10	200.00	Cash
January 01, 2014	Transfer ¹	(39,600)	10	265.00	Cash
February 28, 2014	Sub-Division [§]	17,951,180	1	N.A.	N.A.
June 26, 2014	Transfer ¹	(925,000)	1	45.00	Cash
August 06, 2014	Transfer ¹	(400,000)	1	45.00	Cash
September 17, 2014	Transfer ¹	(301,000)	1	46.00	Cash
April 27, 2015	Transfer ¹	(1,210,000)	1	74.00	Cash
May 15, 2015	Transfer ¹	(227,700)	1	63.00	Cash
June 20, 2015	Transfer ¹	(409,500)	1	64.00	Cash
August 31, 2015	Transfer ¹	(1,310,000)	1	70.00	Cash
December 10, 2015	Transfer ¹	(149,000)	1	65.00	Cash
Total Current Holding		13,018,980			

¹Inter-se Transfer between Promoter & Promoter Group.

(3) RightMatch Holdings Ltd.

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
September 12, 2000	Transfer ¹	24,400	10	20.00	Cash
January 05, 2001	Bonus*	439,200	10	N.A.	N.A.
January 05, 2001	Subdivision [#]	2,318,000	2	N.A.	N.A.
January 30, 2006	Consolidation [@]	463,600	10	N.A.	N.A.
January 30, 2006	Bonus [^]	463,600	10	N.A.	N.A.
February 28, 2014	Sub-Division [§]	9,272,000	1	N.A.	N.A.
Total Current Holding		9,272,000			

¹Inter-se Transfer between Promoter & Promoter Group

(4) GMU Infosoft Private Limited

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
November 20, 2000	Transfer	17,240	10	20.00	Cash
January 5, 2001	Bonus*	310,320	10	N.A.	N.A.
January 5, 2001	Sub Division [#]	1,637,800	2	N.A.	N.A.
January 30, 2006	Consolidation [@]	327,560	10	N.A.	N.A.
January 30, 2006	Bonus [^]	327,560	10	N.A.	N.A.
December 23, 2011	Purchase ¹	13,855	10	137.35	Cash
December 26, 2011	Purchase ¹	15,834	10	142.76	Cash
March 16, 2012	Purchase ¹	6,250	10	150.00	Cash
March 19, 2012	Purchase ¹	11,041	10	149.99	Cash
September 24, 2012	Purchase ¹	500	10	165.60	Cash
September 25, 2012	Purchase ¹	1,285	10	165.00	Cash
September 26, 2012	Purchase ¹	15,066	10	172.85	Cash
September 27, 2012	Purchase ¹	5,718	10	179.77	Cash
September 28, 2012	Purchase ¹	825	10	179.90	Cash
December 12, 2012	Purchase ¹	1,477	10	171.00	Cash
December 13, 2012	Purchase ¹	965	10	172.00	Cash
December 14, 2012	Purchase ¹	2,529	10	174.41	Cash
December 17, 2012	Purchase ¹	1	10	172.00	Cash
December 18, 2012	Purchase ¹	3,472	10	171.99	Cash
December 20, 2012	Purchase ¹	501	10	172.00	Cash
December 21, 2012	Purchase ¹	2,836	10	181.47	Cash
February 22, 2013	Purchase ¹	19,985	10	200.00	Cash
September 18, 2013	Transfer ²	29,000	10	200.00	Cash
January 01, 2014	Transfer ²	13,200	10	265.00	Cash
February 28, 2014	Sub-division ^S	7,994,600	1	N.A.	N.A.
March 20, 2014	Purchase ¹	5,550	1	42.60	Cash
March 28, 2014	Purchase ¹	6,270	1	36.20	Cash
June 26, 2014	Transfer ²	335,000	1	45.00	Cash
June 30, 2014	Purchase ¹	17,087	1	47.01	Cash
August 06 2014	Transfer ²	120,000	1	45.00	Cash
August 08, 2014	Purchase ¹	7,815	1	49.00	Cash
August 19, 2014	Purchase ¹	50	1	49.00	Cash
August 20, 2014	Purchase ¹	10,000	1	49.00	Cash
September 17, 2014	Transfer ²	84,000	1	46.00	Cash
November 03, 2014	Purchase ¹	3,458	1	63.24	Cash
November 05, 2014	Purchase ¹	6,866	1	63.39	Cash
November 07, 2014	Purchase ¹	6,144	1	62.46	Cash
November 11, 2014	Purchase ¹	4,197	1	61.78	Cash
November 12, 2014	Purchase ¹	2,498	1	61.00	Cash
April 27, 2015	Transfer ²	390,000	1	74.00	Cash
May 15, 2015	Transfer ²	72,000	1	63.00	Cash
June 20, 2015	Transfer ²	134,500	1	64.00	Cash
August 31, 2015	Transfer ²	425,000	1	70.00	Cash
December 10, 2015	Transfer ²	48,000	1	65.00	Cash
Total Current Holding		9,673,035			

¹ Purchased from open Market

² Inter-se Transfer between Promoter & Promoter Group

(5) GM Solutions Private Limited

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
November 23, 2000	Transfer	17,240	10	20.00	Cash
January 5, 2001	Bonus *	310,320	10	N.A	N.A
January 5, 2001	Sub-Division [#]	1,637,800	2	N.A	N.A
June 26, 2005	Transfer	(34,500)	2	2.00	Cash
January 16, 2006	Transfer	(100,000)	2	2.00	Cash
January 30, 2006	Consolidation [@]	300,660	10	N.A.	N.A.
January 30, 2006	Bonus ^	300,660	10	N.A.	N.A.
April 20, 2006	Sale (through open offer in IPO)	200,000	10	250.00	Cash
May 13, 2006	Purchase ¹	22,194	10	121.94	Cash
June 5, 2006	Purchase ¹	136,469	10	163.41	Cash
June 6, 2006	Purchase ¹	17,629	10	147.35	Cash
June 7, 2006	Purchase ¹	32,260	10	145.14	Cash
June 8, 2006	Purchase ¹	32,105	10	119.96	Cash
June 10, 2006	Purchase ¹	8,700	10	145.00	Cash
June 12, 2006	Purchase ¹	1,465	10	130.61	Cash
June 20, 2006	Purchase ¹	2,000	10	131.98	Cash
June 9, 2008	Purchase ¹	17,125	10	108.79	Cash
June 17, 2008	Purchase ¹	50	10	102.48	Cash
June 30, 2008	Purchase ¹	8,542	10	93.19	Cash
February 28, 2011	Purchase ¹	3,762	10	139.26	Cash
August 30, 2011	Purchase ¹	13,207	10	110.70	Cash
September 02, 2011	Purchase ¹	130	10	103.69	Cash
December 19, 2011	Purchase ¹	4,264	10	128.71	Cash
December 20, 2011	Purchase ¹	6,468	10	129.81	Cash
December 21, 2011	Purchase ¹	7,939	10	131.11	Cash
December 22, 2011	Purchase ¹	1,657	10	131.57	Cash
December 26, 2011	Purchase ¹	200	10	140.50	Cash
June 15, 2012	Purchase ¹	84,272	10	151.69	Cash
June 18, 2012	Purchase ¹	2,866	10	152.31	Cash
June 19, 2012	Purchase ¹	3,434	10	154.50	Cash
June 20, 2012	Purchase ¹	2,705	10	158.95	Cash
September 18, 2013	Transfer ²	29,000	10	200.00	Cash
January 01, 2014	Transfer ²	13,200	10	265.00	Cash
February 28, 2014	Sub-Division ⁵	8,529,630	1	N.A.	N.A.
June 26, 2014	Transfer ²	300,000	1	45.00	Cash
August 01, 2014	Purchase ¹	6,969	1	52.00	Cash
August 04, 2014	Purchase ¹	1,983	1	51.00	Cash
August 05, 2014	Purchase ¹	11,655	1	51.00	Cash
August 06, 2014	Purchase ¹	147,587	1	45.11	Cash
August 07, 2014	Purchase ¹	13,000	1	50.34	Cash
September 17, 2014	Transfer ²	90,000	1	46.00	Cash
April 27, 2015	Transfer ²	415,000	1	74.00	Cash
May 15, 2015	Transfer ²	84,600	1	63.00	Cash
June 20, 2015	Transfer ²	141,000	1	64.00	Cash
August 31, 2015	Transfer ²	455,000	1	70.00	Cash
December 10, 2015	Transfer ²	46,000	1	65.00	Cash
Total Current Holding		10,242,424			

¹ Purchased from open Market.

² Inter-se Transfer between Promoter & Promoter Group.

(6) U Infosoft Private Limited

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
November 23, 2000	Transfer	17,240	10	20.00	Cash
January 5, 2001	Bonus*	310,320	10	N.A.	N.A.
January 5, 2001	Sub-Division [#]	1,637,800	2	N.A.	N.A.
January 30, 2006	Consolidation [@]	327,560	10	N.A.	N.A.
January 30, 2006	Bonus [^]	327,560	10	N.A.	N.A.
March 19, 2012	Purchase ¹	2,853	10	150.00	Cash
March 20, 2012	Purchase ¹	571	10	145.10	Cash
March 21, 2012	Purchase ¹	993	10	145.25	Cash
March 22, 2012	Purchase ¹	200	10	145.25	Cash
March 23, 2012	Purchase ¹	260	10	145.14	Cash
March 26, 2012	Purchase ¹	9,504	10	149.15	Cash
March 27, 2012	Purchase ¹	8,232	10	149.93	Cash
March 28, 2012	Purchase ¹	5,275	10	151.02	Cash
March 29, 2012	Purchase ¹	8,382	10	152.04	Cash
March 30, 2012	Purchase ¹	8,678	10	154.79	Cash
June 20, 2012	Purchase ¹	4,115	10	161.66	Cash
June 21, 2012	Purchase ¹	83	10	160.27	Cash
June 22, 2012	Purchase ¹	1,277	10	164.40	Cash
June 25, 2012	Purchase ¹	6,113	10	165.56	Cash
June 26, 2012	Purchase ¹	14,815	10	167.66	Cash
June 27, 2012	Purchase ¹	5,375	10	169.50	Cash
June 28, 2012	Purchase ¹	5,200	10	174.87	Cash
June 29, 2012	Purchase ¹	7,825	10	187.22	Cash
August 07, 2012	Purchase ¹	129	10	165.00	Cash
August 08, 2012	Purchase ¹	362	10	165.00	Cash
August 09, 2012	Purchase ¹	991	10	165.00	Cash
August 13, 2012	Purchase ¹	946	10	165.00	Cash
August 14, 2012	Purchase ¹	1,315	10	164.75	Cash
August 16, 2012	Purchase ¹	164	10	165.00	Cash
August 17, 2012	Purchase ¹	71	10	165.00	Cash
August 21, 2012	Purchase ¹	304	10	165.00	Cash
August 22, 2012	Purchase ¹	185	10	165.00	Cash
August 23, 2012	Purchase ¹	1,029	10	165.00	Cash
August 24, 2012	Purchase ¹	7,971	10	165.00	Cash
August 27, 2012	Purchase ¹	980	10	165.00	Cash
August 28, 2012	Purchase ¹	1,467	10	165.00	Cash
August 29, 2012	Purchase ¹	496	10	165.00	Cash
August 30, 2012	Purchase ¹	247	10	165.00	Cash
August 31, 2012	Purchase ¹	1	10	165.00	Cash
September 03, 2012	Purchase ¹	51	10	165.00	Cash
September 04, 2012	Purchase ¹	134	10	165.00	Cash
September 05, 2012	Purchase ¹	169	10	165.00	Cash
September 06, 2012	Purchase ¹	597	10	165.00	Cash
September 08, 2012	Purchase ¹	185	10	165.00	Cash
September 10, 2012	Purchase ¹	1,000	10	165.00	Cash
September 11, 2012	Purchase ¹	1,611	10	165.00	Cash
September 12, 2012	Purchase ¹	1,345	10	165.00	Cash
September 13, 2012	Purchase ¹	786	10	165.00	Cash
September 14, 2012	Purchase ¹	1,608	10	164.70	Cash
September 17, 2012	Purchase ¹	165	10	165.00	Cash
September 18, 2012	Purchase ¹	97	10	165.00	Cash
September 20, 2012	Purchase ¹	528	10	165.00	Cash
September 21, 2012	Purchase ¹	2,552	10	165.00	Cash
September 24, 2012	Purchase ¹	7,374	10	165.16	Cash

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
September 28, 2012	Purchase ¹	35	10	179.96	Cash
September 18, 2013	Transfer ²	29,000	10	200.00	Cash
January 01, 2014	Transfer ²	13,200	10	265.00	Cash
February 28, 2014	Sub-Division ⁵	8,219,660	1	NA	NA
June 26, 2014	Transfer ²	290,000	1	45.00	Cash
August 06, 2014	Transfer ²	135,000	1	45.00	Cash
September 17, 2014	Transfer ²	127,000	1	46.00	Cash
April 27, 2015	Transfer ²	405,000	1	74.00	Cash
May 15, 2015	Transfer ²	71,100	1	63.00	Cash
June 20, 2015	Transfer ²	134,000	1	64.00	Cash
August 31, 2015	Transfer ²	430,000	1	70.00	Cash
December 10, 2015	Transfer ²	55,000	1	65.00	Cash
Total Current Holding		9,866,760			

¹ Purchased from open Market

² Inter-se Transfer between Promoter & Promoter Group

(7) Sartaj Singh Rekhi

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
February 16, 2000	Transfer	1	10	10.00	Cash
January 5, 2001	Bonus*	18	10	N.A.	N.A.
January 5, 2001	Sub-Division [#]	95	2	N.A.	N.A.
June 27, 2005	Transfer	95,000	2	0.47	Cash
July 18, 2005	Transfer	1,222,500	2	1.07	Cash
January 18, 2006	Transfer	(98)	2	14.85	Cash
January 18, 2006	Transfer	3	2	10.00	Cash
January 28, 2006	Transfer	(1,279,595)	2	0.00001	Cash
January 30, 2006	Consolidation [@]	7,581	10	NA	NA
January 30, 2006	Bonus [^]	7,581	10	NA	NA
December 11, 2006	Purchase ¹	7,000	10	179.42	Cash
August 07, 2006	Off Market Purchase	19,380	10	19.50	Cash
March 05, 2007	Purchase ¹	9,000	10	138.58	Cash
March 15, 2007	Purchase ¹	5,510	10	136.10	Cash
March 16, 2007	Purchase ¹	2,370	10	139.53	Cash
March 26, 2007	Purchase ¹	12,217	10	135.31	Cash
November 01, 2007	Purchase ¹	46,710	10	92.72	Cash
November 06, 2007	Purchase ¹	28,807	10	89.85	Cash
March 20, 2008	Purchase ¹	20,197	10	90.54	Cash
March 31, 2008	Purchase ¹	2,200	10	77.77	Cash
December 19, 2011	Purchase ¹	12,496	10	130.46	Cash
December 20, 2011	Purchase ¹	665	10	126.30	Cash
December 22, 2011	Purchase ¹	15,202	10	133.40	Cash
December 26, 2011	Purchase ¹	2,200	10	140.50	Cash
December 27, 2011	Purchase ¹	4,849	10	144.33	Cash
December 28, 2011	Purchase ¹	16,014	10	148.86	Cash
December 29, 2011	Purchase ¹	12,739	10	151.30	Cash
December 30, 2011	Purchase ¹	12,227	10	152.78	Cash
February 13, 2012	Purchase ¹	13,170	10	141.46	Cash
February 14, 2012	Purchase ¹	25,119	10	145.40	Cash
February 15, 2012	Purchase ¹	8,100	10	145.00	Cash
February 28, 2012	Off Market Purchase	38,000	10	148.00	Cash
June 18, 2012	Off Market Purchase	15,200	10	148.00	Cash
December 11, 2013	Inter-se Transmission	254,600	10	N.A.	N.A.

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
February 28, 2014	Sub-Division ⁵	5,991,340	1	N.A.	N.A.
Total Current Holding		5,991,340			

¹ Purchased from open Market.

(8) Ramneet Singh Rekhi

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
December 15, 2006	Purchase ¹	8,513	10	169.75	Cash
March 06, 2007	Purchase ¹	9,993	10	126.84	Cash
March 07, 2007	Purchase ¹	8,232	10	121.33	Cash
March 08, 2007	Purchase ¹	5,974	10	120.87	Cash
March 28, 2007	Purchase ¹	9,009	10	131.07	Cash
March 30, 2007	Purchase ¹	6,500	10	133.01	Cash
August 07, 2007	Purchase ¹	19,000	10	107.55	Cash
August 24, 2007	Purchase ¹	40,000	10	95.49	Cash
September 17, 2007	Off Market Purchase	19,380	10	95.00	Cash
February 15, 2012	Purchase ¹	18,215	10	147.30	Cash
February 16, 2012	Purchase ¹	31,683	10	151.87	Cash
February 17, 2012	Purchase ¹	5,431	10	154.02	Cash
February 21, 2012	Purchase ¹	7,030	10	156.49	Cash
February 22, 2012	Purchase ¹	104	10	150.00	Cash
February 23, 2012	Purchase ¹	7,142	10	155.78	Cash
February 24, 2012	Purchase ¹	6,703	10	156.52	Cash
February 27, 2012	Purchase ¹	8,231	10	154.30	Cash
February 28, 2012	Purchase ¹	5,900	10	157.86	Cash
February 29, 2012	Purchase ¹	565	10	153.81	Cash
March 01, 2012	Purchase ¹	2,573	10	156.66	Cash
March 02, 2012	Purchase ¹	2,052	10	160.97	Cash
March 09, 2012	Purchase ¹	13,208	10	150.00	Cash
March 12, 2012	Purchase ¹	5,555	10	151.90	Cash
March 16, 2012	Purchase ¹	11,020	10	150.00	Cash
December 11, 2013	Inter-se Transmission	254,600	10	N.A.	N.A.
February 28, 2014	Sub-Division ⁵	5,066,130	1	N.A.	N.A.
Total Current Holding		5,066,130			

¹ Purchased from open Market

B. Persons Acting in Concert

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

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
February 16, 2000	Transfer	1	10	10.00	Cash
November 4, 2000	Transfer	2,000	10	20.00	Cash
January 5, 2001	Bonus [*]	36,018	10	N.A.	N.A.
January 5, 2001	Sub-Division [#]	190,095	2	N.A.	N.A.
January 25, 2006	Allotment under ESOP Plan	6,925	2	42.00	Cash
January 30, 2006	Consolidation [@]	39,404	10	N.A.	N.A.
January 30, 2006	Bonus [^]	39,404	10	N.A.	N.A.
April 20, 2006	Allotment	3,000	10	250.00	Cash
April 27, 2006	Sale ¹	1,700	10	260.00	Cash
August 2, 2006	Sale ¹	2,685	10	165.00	Cash

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
August 6, 2006	Sale ¹	8,808	10	104.32	Cash
December 27, 2006	Allotment under ESOP Plan	1,385	10	105.00	Cash
March 04, 2010	Sale ¹	5,000	10	101.00	Cash
June 06, 2013	Sale ¹	5,000	10	221.00	Cash
June 07, 2013	Sale ¹	10,000	10	221.00	Cash
June 11, 2013	Sale ¹	5,000	10	221.00	Cash
June 12, 2013	Sale ¹	5,000	10	221.00	Cash
June 14, 2013	Sale ¹	5,000	10	221.00	Cash
June 25, 2013	Sale ¹	5,000	10	221.00	Cash
February 28, 2014	Sub-Division ⁵	300,000	1	N.A.	N.A.
June 09, 2014	Sale ¹	9,487	1	50.00	Cash
June 10, 2014	Sale ¹	516	1	50.02	Cash
June 11, 2014	Sale ¹	6,262	1	50.54	Cash
August 13, 2014	Sale ¹	11,541	1	50.02	Cash
August 14, 2014	Sale ¹	12,978	1	50.50	Cash
August 19, 2014	Sale ¹	8,750	1	49.53	Cash
August 21, 2014	Sale ¹	58,668	1	55.04	Cash
August 22, 2014	Sale ¹	5,000	1	54.00	Cash
September 11, 2014	Sale ¹	7,537	1	53.54	Cash
September 12, 2014	Sale ¹	1,931	1	53.76	Cash
October 31, 2014	Sale ¹	10,000	1	65.00	Cash
November 17, 2014	Sale ¹	25,000	1	72.15	Cash
November 03, 2015	Sale ¹	601	1	70.31	Cash
November 04, 2015	Sale ¹	2,135	1	70.82	Cash
June 14, 2016	Sale ¹	5,000	1	55.51	Cash
Total Current Holding		134,594			

¹ Sale in Open Market

(2) Mandeep Singh Sodhi

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
November 10, 2000	Allotment	3,000	10	20.00	Cash
November 10, 2000	Transfer	(2,650)	10	20.00	Cash
January 5, 2001	Bonus*	6,300	10	N.A.	N.A.
January 5, 2001	Sub-Division [#]	33,250	2	N.A.	N.A.
July 18, 2005	Transfer	75,000	2	1.20	Cash
January 18, 2006	Transfer	63,650	2	7.07	Cash
January 30, 2006	Consolidation [@]	34,380	10	N.A.	N.A.
January 30, 2006	Bonus [^]	34,380	10	N.A.	N.A.
August 26, 2013	Allotment under ESOP Plan	25,000	10	120.70	Cash
September 27, 2013	Sale ¹	500	10	293.00	Cash
October 28, 2013	Sale ¹	5,000	10	329.00	Cash
February 28, 2014	Sub-Division ⁵	882,600	1	N.A.	N.A.
June 06, 2014	Sale ¹	3,235	1	50.00	Cash
June 11, 2014	Sale ¹	670	1	51.00	Cash
July 30, 2014	Sale ¹	9,000	1	53.00	Cash
July 31, 2014	Sale ¹	4,225	1	54.63	Cash
August 01, 2014	Sale ¹	14,338	1	52.00	Cash
August 06, 2014	Sale ¹	544	1	51.50	Cash
August 08, 2014	Sale ¹	35,000	1	49.00	Cash
August 11, 2014	Sale ¹	11,000	1	51.41	Cash
August 13, 2014	Sale ¹	3,375	1	52.10	Cash
August 18, 2014	Sale ¹	125	1	51.00	Cash
August 19, 2014	Sale ¹	1,304	1	50.00	Cash

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/ Consideration per Equity Share(₹)	Consideration (Cash, other than cash)
August 21, 2014	Sale ¹	37,000	1	52.03	Cash
September 08, 2014	Sale ¹	34,000	1	52.43	Cash
September 09, 2014	Sale ¹	3,017	1	53.89	Cash
September 10, 2014	Sale ¹	13,158	1	53.39	Cash
September 11, 2014	Sale ¹	4,000	1	53.19	Cash
September 16, 2014	Sale ¹	2,903	1	50.12	Cash
September 18, 2014	Sale ¹	6,921	1	50.25	Cash
September 19, 2014	Sale ¹	6,160	1	50.50	Cash
Total Current Holding		692,625			

¹ Sale in Open Market

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

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

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

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

§Upon Sub-division of Equity Shares of ₹ 10 each into Ten Equity Shares of ₹ 1 each approved by the Shareholders through Postal Ballot on January 13, 2014. The record date fixed for this purpose was February 28, 2014.

10. BASIS OF CALCULATING THE BUYBACK PRICE

- I. The Equity Shares of the Company are proposed to be bought back at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share.
- II. The Buyback Price of ₹ 65 (Rupees Sixty Five only) per Equity Share has been arrived at after considering various factors such as (i) the share price benchmarks on the NSE, the stock exchange where the maximum volume of trading in the Equity Shares is recorded, (ii) the net worth of the Company, and (iii) the impact on the earnings per Equity Share.
- III. The Buyback Price represents a premium of 17.03% over the volume weighted average market price of the Equity Shares on the NSE for the 3 months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback and 20.06% over the volume weighted average market price of the Equity Shares on the NSE for the 2 weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buyback, being September 08, 2016, was ₹ 58.05 on NSE and ₹ 58.30 on the BSE respectively.
- IV. The Buyback Price is higher by 313.22% of the book value per Equity Share of the Company, which as of December 31, 2015 was ₹ 15.73 per Equity Share.
- V. The earnings per Equity Share of the Company prior to the Buyback, as on December 31, 2015 was ₹ 7.14 per Equity Share (excluding exceptional items the earnings per Equity Share was ₹ 2.53 per Equity Share). Assuming full acceptance under the Buyback the earnings per Equity Share of the Company will be ₹ 7.31 per Equity Share (excluding exceptional items the earnings per Equity Share will be ₹ 2.59 per Equity Share) post the Buyback.

- VI. The return on net worth of the Company was 45.69% (excluding exceptional items return on net worth was 16.20%) as on December 31, 2015 which will increase to 50.68% (excluding exceptional items return on net worth will be 17.97%) post Buyback assuming full acceptance of the Buyback.

11. SOURCES OF FUNDS FOR THE BUY BACK

- I. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be ₹ 1,950 lakhs (Rupees Nineteen Crores Fifty Lakhs only).
- II. The funds for the Buyback will be sourced from current balances of cash and cash equivalents and/ or internal accruals of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback.
- III. This Buyback is not likely to cause any material impact on the earnings of the Company, except a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

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

- I. In accordance with Regulation 10 of the Buyback Regulations, the Company has appointed Kotak Mahindra Bank Limited as the Escrow Agent for the aforementioned Buyback. The Company, the Manager to the Offer and the Escrow Agent have entered into an Escrow Agreement dated September 22, 2016 pursuant to which the Escrow Account in the name and style "RSIL BUYBACK OF EQUITY SHARES 2016 ESCROW ACCOUNT" bearing account number 9812156318 has been opened with the Escrow Agent. The Manager has been empowered to operate the Escrow Account in accordance with the Buyback Regulations. In accordance with Regulation 10 of the Buyback Regulations, the Company, on September 23, 2016, has deposited ₹ 50,000,000 (Rupees Five crores only) in the Escrow Account, which is higher than 25% of the maximum consideration payable in the Buyback(i.e. ₹ 1,950 lakhs, which does not exceed ₹ 100 crores).
- II. The Company has adequate and firm financial resources to fulfill the obligations under the Buyback and the same has been certified by S.K. Relan & Co., Chartered Accountants having its office at 6/79, W.E.A. Padam Singh Road, Karol Bagh, New Delhi-110005, Telephone: 011-28759286; Membership No.: 012149; Firm Registration No.:001720N), vide a certificate dated September 20, 2016.
- III. Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- I. The present capital structure of the Company is as follows:

(Rupees in lacs)

Sr. No.	Particulars	Pre-Buyback
1	Authorised Share Capital:	
	200,000,000 equity shares of ₹ 1 each	2,000.00
2	Issued, Subscribed and Paid-Up Capital:	
	126,870,425 equity shares of ₹ 1 each fully paid-up ⁽¹⁾	1,268.70 ⁽¹⁾
	Total Paid-up Capital	1,268.70

(1) Based on standalone audited financial statements of the Company for the financial year ended December 31, 2015.

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

(Rupees in lacs)

Sr. No.	Particulars	Post-Buyback
1	Authorised Share Capital:	
	200,000,000 equity shares of ₹ 1 each	2,000.00
2	Issued, Subscribed and Paid-Up Capital:	
	123,870,425 equity shares of ₹ 1 each fully paid-up	1,238.70
	Total Paid-up Capital	1,238.70

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

The Company had launched and completed a buyback of shares under the extant regulations vide its public announcement dated December 29, 2014. The details of the buyback, as disclosed in the post buy-back public announcement were as follows:

QUOTE

1. THE BUYBACK

- 1.1. R Systems International Limited (the "Company") had announced the buy-back (the "Buy Back") of fully paid up Equity Shares of Re.1/- each of the Company, from the existing shareholders, owners / beneficial owners of the Equity Shares of the Company other than those who are Promoters, members of the Promoter Group and persons acting in concert (such shareholders hereinafter referred to collectively as Persons in Control), from the Open Market through Stock Exchanges using the electronic trading facilities of BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), in accordance with the provisions of Section 68 and all other applicable provisions, if any of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, as amended and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buy-Back Regulations") and the relevant provisions of the Articles of Association of the Company and subject to approval(s) as may be necessary, at a price not exceeding Rs. 100/- per Equity Share ("Maximum Buy-Back Price") payable in cash for an aggregate amount not exceeding Rs.60,000,000/- (Rupees Six Crore only) ("Maximum Buy-Back Size") excluding brokerage costs, Securities and Exchange Board of India ("SEBI") turnover charges, taxes such as securities transaction tax, service tax and relevant stamp duty (collectively referred to as "Transaction Costs") for the Buy-Back and in this regard a Public Announcement dated December 29, 2014 was published on December 30, 2014. The Board of Directors of the Company at its meeting held on April 23, 2015 announced the closure of Buy-Back after the closing of the trading hours on April 23, 2015.
- 1.2. The Buy-Back commenced on January 06, 2015 and closed on April 23, 2015. A notice of closure was issued on April 23, 2015 to the Stock Exchanges. Till closure of the Buy-Back, the Company has utilised 99.29% of Maximum Buy-Back Size authorized for the Buy-Back.
- 1.3. The total number of Equity Shares bought back under the Buy-Back were 678,155 Equity Shares of Re.1/- each and all the Equity Shares bought back till April 23, 2015 have been extinguished.

2. DETAILS OF THE BUY-BACK

- 2.1. The total amount utilized in the Buy-Back of Equity Shares was Rs. 595.74 lacs (Rupees Five Crore Ninety Five Lacs Seventy Four Thousand only) excluding Transaction Costs.
- 2.2. The price at which the Shares were bought-back was dependent on the price quoted on the Stock Exchanges. The highest price at which Shares were bought back was Rs. 97.00 per Equity Share on BSE (April 15, 2015) and Rs.97.00 per Equity Share on NSE (April 15, 2015) while the lowest price at which the Equity Shares were bought-back was Rs.72.00 per Equity Share on BSE (March 16, 2015) and Rs.72.00 per Equity Share on NSE (March 16, 2015) (all prices are excluding the Transaction Costs). Over all the Equity Shares were bought-back at an average price of Rs.87.85 per Equity Share (excluding the Transaction Costs).
- 2.3. The total number of Equity Shares bought-back under the Buy-Back offer is less than one percent of the outstanding Equity Share Capital prior to Buy-Back offer. Therefore, the details of the members from whom Equity Shares exceeding one percent of total Equity Shares were bought back is not applicable

UNQUOTE

- IV. There are no partly paid up equity shares.
- V. There are no outstanding instruments convertible into Equity Shares as on December 31, 2015 except for 80,280 Employee Stock Options that were outstanding under R Systems International Limited Employee Stock Option Scheme 2007. It may be noted that 230,280 Employee Stock Options were outstanding under R Systems International Limited Employee Stock Option Scheme 2007, as on June 30, 2016.
- VI. There are no amounts under calls in arrears.
- VII. The shareholding pattern of the Company pre Buyback as on Record Date as well as post Buyback is as follows:

Category of shareholder	Pre Buyback		Post Buy Back ⁽¹⁾	
	Number of Shares	% to the existing Equity Share Capital	Number of Shares	% to the existing Equity Share Capital
Promoters and Promoter Group	64,448,406	50.80	63,088,600	50.93
Foreign Investors (including Non Resident Indians/ FIIs/ Foreign Mutual Funds/Foreign Nationals)	2,548,551	2.01	60,781,825	49.07
Financial Institutions / Banks and Mutual Funds promoted by Banks / Institutions	523	0.00		
Others (Public, Bodies Corporate, etc.)	59,872,945	47.19		
Total	126,870,425	100.00	123,870,425	100.00

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

- VIII. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.
- IX. In compliance with regulation 19(1)(b) of Buyback Regulations, the Company shall not issue any Equity Shares or specified securities (including by way of bonus) till the date of closure of the Buyback.

- X. The Company shall not raise further capital for a period of one year from the closure of the Buyback except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- XI. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may increase to 50.93% from 50.80% prior to the Buyback. The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.
- XII. There were no Equity Shares purchased or sold or transferred by the Promoters and Promoter Group and persons acting in concert from the date of the Board Meeting in which the Buyback was approved (i.e. September 14, 2016) till the date of this Letter of Offer. No Equity Share was either purchased or sold by the Promoter and/ or Promoter Group, the directors of the Promoter and/ or Promoter Group where the Promoter/ Promoter Group is a company, and/ or persons acting in concert of the Company during a period of 6 months preceding the date of the Board meeting i.e. September 14, 2016 at which the Board approved the proposal for Buyback and twelve months preceding the date of the Public Announcement i.e. September 15, 2016 except the following:

A. Promoter and Promoter Group

Name	Aggregate number of equity shares purchased/ sold	Nature of Transaction	Maximum Price Per Share (₹)	Date of Maximum Price	Minimum Price Per Share (₹)	Date of Minimum Price
Satinder & Harpreet Rekhi Family Trust	Sale - 149,000 Equity Shares	Off- Market Transaction	65.00 *	December 10, 2015	65.00 *	December 10, 2015
GMU Infosoft Private Limited	Purchase - 48,000 Equity Shares	Off- Market Transaction	65.00 *	December 10, 2015	65.00 *	December 10, 2015
GM Solutions Private Limited	Purchase - 46,000 Equity Shares	Off- Market Transaction	65.00 *	December 10, 2015	65.00 *	December 10, 2015
U Infosoft Private Limited	Purchase - 55,000 Equity Shares	Off- Market Transaction	65.00 *	December 10, 2015	65.00 *	December 10, 2015

*Inter-se transfer between Promoter & Promoter Group through off-market, therefore maximum and minimum price is taken as agreed price of ₹ 65 per share.

B. Persons Acting in Concert⁽¹⁾

Name	Aggregate number of equity shares purchased/ sold	Nature of Transaction	Maximum Price Per Share (₹)	Date of Maximum Price	Minimum Price Per Share (₹)	Date of Minimum Price
Lt. Gen. Baldev Singh (Retd.)	Sale - 601 Equity Shares	Market Sale	71.00	November 03, 2015	71.00	November 03, 2015
Lt. Gen. Baldev Singh (Retd.)	Sale - 2,135 Equity Shares	Market Sale	71.65	November 04, 2015	71.50	November 04, 2015
Lt. Gen. Baldev Singh (Retd.)	Sale - 5,000 Equity Shares	Market Sale	55.70	June 14, 2016	55.50	June 14, 2016

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

14. BRIEF INFORMATION OF THE COMPANY

I. History of the Company

- a) The Company was incorporated on May 14, 1993 as "R Systems (India) Private Limited" as per Certificate of Incorporation issued by Registrar of Companies, National Capital Territory of Delhi and Haryana under the Companies Act, 1956. Pursuant to a special resolution passed by the shareholders of the Company on March 14, 2000, the Company was converted into a public limited company and consequently the name of the Company was changed to R Systems (India) Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on April 13, 2000. Again, pursuant to a special resolution passed by the shareholders of the Company and the approval of the Central Government dated August 2, 2000, name of the Company was further changed to R Systems International Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on August 7, 2000. The registered office of the Company is situated at B-104A, Greater Kailash - 1, New Delhi, 110 048, India.
- b) The Equity Shares of Company are presently listed on the BSE and NSE.
- c) The Company is a leading global provider of IT solutions and Business Process Outsourcing (BPO) services. The Company's primary focus is to provide full service IT solutions, software engineering services, technical support, customer care and other IT enabled services to the high technology sector, independent software vendors (ISV's), telecom and digital media technology companies and services providers, financial services companies, insurance and health care sector etc..
- d) The promoter of the Company includes Mr. Satinder Singh Rekhi, Mrs. Harpreet Rekhi, Satinder & Harpreet Rekhi Family Trust and RightMatch Holdings Limited. The promoter group of the Company includes GMU Infosoft Private Limited, GM Solutions Private Limited, U Infosoft Private Limited, Mr. Sartaj Singh Rekhi, Mr. Ramneet Singh Rekhi, Mrs. Kuldeep Baldev Singh and Mrs. Anita Behl.
- e) The Company has various subsidiaries and step down subsidiaries at various locations in United States of America, United Kingdom, Singapore, Canada, Malaysia, Hong Kong, Japan, Thailand, People's Republic of China, India, Romania, Poland, Moldova, Indonesia and Philippines.

II. Growth of Business

For the financial years ended December 31, 2015, 2014 and 2013, the Company recorded total income of ₹ 29,888.33 lakhs ; ₹ 30,456.54 lakhs and ₹ 27,397.21 lakhs respectively, and profit after tax of ₹ 9,064.40 lakhs (including exceptional items of ₹ 5,850.56 lakhs); ₹ 7,502.89 lakhs (including exceptional items of ₹ 3,373.99 lakhs) and ₹ 3,655.22 lakhs respectively on a Standalone basis.

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

S. No.	Date of Allotment / Consolidation/ Split of shares	Number of Equity Shares	Face Value Per Share (in ₹)	Issue Price Per Share (in ₹)	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
1	May 14, 1993	30	10	10.00	Cash	30	300.00
2	February 3, 1996	49,970	10	10.00	Cash	50,000	500,000.00
3	November 10, 2000	83,000	10	20.00	Cash	133,000	1,330,000.00
4	January 2, 2001	67,000	10	10,848 (approx.)	Shares Swap ⁽¹⁾	200,000	2,000,000.00
5	January 5, 2001	3,600,000	10	-	Bonus Shares ⁽²⁾	3,800,000	38,000,000.00
6	January 5, 2001	19,000,000	2	-	Sub-division ⁽³⁾	19,000,000	38,000,000.00
7	January 10, 2001	2,014,354	2	115.42	Cash	21,014,354	42,028,708.00

S. No.	Date of Allotment / Consolidation/ Split of shares	Number of Equity Shares	Face Value Per Share (in ₹)	Issue Price Per Share (in ₹)	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
8	February 14, 2002	997,500	2	115.42	Cash ⁽⁴⁾	22,011,854	44,023,708.00
9	March 4, 2002	3,596,869	2	115.42	Shares Swap ⁽⁵⁾	25,608,723	51,217,446.00
10	December 28, 2002	1,281,364	2	115.42	Issue of shares on Merger ⁽⁶⁾	26,890,087	53,780,174.00
11	September 10, 2004	(997,500)	2	Refer Note 7	Buy Back of Shares ⁽⁷⁾	25,892,587	51,785,174.00
12	January 25, 2006	152,224	2	42.00	Cash ⁽⁸⁾	26,044,811	52,089,622.00
13	January 25, 2006	235,797	2	26.00	Cash ⁽⁹⁾	26,280,608	52,561,216.00
14	January 25, 2006	50,667	2	2.00	Conversion of Warrants ⁽¹⁰⁾	26,331,275	52,662,550.00
15	January 30, 2006	445,000	2	2.00	Conversion of Warrants ⁽¹¹⁾	26,776,275	53,552,550.00
16	January 30, 2006	5,355,255	10	-	Consolidation ⁽¹²⁾	5,355,255	53,552,550.00
17	January 30, 2006	5,355,255	10	-	Bonus Shares ⁽¹³⁾	10,710,510	107,105,100.00
18	April 20, 2006	2,825,006	10	250.00	Cash ⁽¹⁴⁾	13,535,516	135,355,160.00
19	December 27, 2006	24,390	10	105.00	Cash ⁽¹⁵⁾	13,559,906	135,599,060.00
21	December 27, 2006	22,800	10	65.00	Cash ⁽¹⁶⁾	13,582,706	135,827,060.00
22	August 27, 2009	(1,265,820)	10	Refer Note 17	Buy Back of Shares ⁽¹⁷⁾	12,316,886	123,168,860.00
23	March 02, 2012	97,220	10	120.70	Cash ⁽¹⁸⁾	12,414,106	124,141,060.00
24	April 27, 2012	35,580	10	120.70	Cash ⁽¹⁸⁾	12,449,686	124,496,860.00
25	August 05, 2012	28,750	10	120.70	Cash ⁽¹⁸⁾	12,478,436	124,784,360.00
26	September 16, 2012	12,300	10	120.70	Cash ⁽¹⁸⁾	12,490,736	124,907,360.00
27	December 24, 2012	29,972	10	120.70	Cash ⁽¹⁸⁾	125,20,708	125,207,080.00
28	February 22, 2013	50,100	10	120.70	Cash ⁽¹⁸⁾	12,570,808	125,708,080.00
29	May 17, 2013	62,311	10	120.70	Cash ⁽¹⁸⁾	12,633,119	126,331,190.00
30	August 26, 2013	32,339	10	120.70	Cash ⁽¹⁸⁾	12,665,458	126,654,580.00
31	February 28, 2014	126,654,580	1	-	Sub-division ⁽¹⁹⁾	126,654,580	126,654,580.00
32	March 10, 2014	712,600	1	12.07	Cash ⁽²⁰⁾	127,367,180	127,367,180.00
33	December 10, 2014	91,400	1	12.07	Cash ⁽²⁰⁾	127,458,580	127,458,580.00
34	April 23, 2015	678,155	1	Refer Note 21	Buy back of Shares ⁽²¹⁾	126,780,425	126,780,425.00
35	June 09, 2015	90,000	1	12.07	Cash ⁽²⁰⁾	126,870,425	126,870,425.00

Notes:

- Pursuant to the acquisition of 10,000,000 Equity Shares of R Systems Inc. by the Company, 67,000 Equity Shares of ₹ 10 each were allotted to the shareholders of R Systems Inc.
- In the Extraordinary General Meeting ("EGM") of the Company held on January 05, 2001, the shareholders approved the issuance of 3,600,000 bonus shares of ₹ 10 each in the ratio of 1:18 by way of capitalisation of accumulated profits.
- Upon subdivision of one equity shares of Face Value of ₹ 10 each to five equity shares of ₹ 2 each approved by Shareholders at the Extra Ordinary General Meeting of the Company dated January 05, 2001.
- The Company had instituted R Systems International Limited - Employees Stock Option Plan for issuance of 997,500 options (1 option = 1 Equity Share) to the eligible employees. For this purpose, the Company established 'R Systems International Employees Stock Option Trust' to administer the plan. Pursuant to this, the Company allotted 997,500 Equity Shares of ₹ 2 each at a premium of ₹ 113.42 per share to 'R Systems International Employees Stock Option Trust'.

- 5 Pursuant to the Share Purchase Agreement dated February 16, 2002, the Company acquired inter alia 316,882 Equity Shares held by GE Capital Mauritius Equity Investment and 65,150 Equity Shares held by Intel Pacific, Inc. in Indus Software Private Limited. In consideration of such acquisition, the Company issued 2,983,475 Equity Shares of ₹ 2 each to GE Capital Mauritius Equity Investment and 613,394 Equity Shares of ₹ 2 each to Intel Pacific, Inc..
- 6 Pursuant to a merger scheme approved by the Hon'ble High Court of Delhi and Hon'ble High Court of Mumbai, Indus was merged into the Company and the Company issued 1,074,542 Equity Shares of ₹ 2 each to certain individual shareholders of Indus at a swap ratio of 1:6.73965 and 206,822 Equity Shares of ₹ 2 each to Indus Software Employees Welfare Trust at a swap ratio of 1:9.41512.
- 7 The Company bought back 997,500 Equity Shares of ₹ 2 each allotted on February 14, 2002 to 'R Systems International Employees Stock Option Trust' at a premium of ₹ 113.42 per share.
- 8 152,224 equity shares of the Company allotted to various employees of the Company pursuant to R Systems International Limited Employee Stock Option Plan 2004 of the Company at a price of ₹ 42 per share.
- 9 235,797 equity shares of the Company allotted to various employees of the Company pursuant to R Systems International Limited Year 2004 Employee Stock Option Plan-ECnet of the Company at a price of ₹ 26 per share.
- 10 Pursuant to the Shareholders Agreement dated February 16, 2002 inter alia between the Company and Intel Pacific, Inc., Intel Pacific, Inc. has assigned 50,667 warrants to Intel Capital (Mauritius) Limited vide an Assignment Letter dated January 20, 2006. Subsequent to this, Intel Capital (Mauritius) Limited has exercised the right to convert 50,667 warrants into 50,667 Equity Shares of ₹ 2 each at the price of ₹ 2 per share.
- 11 Pursuant to the Shareholders Agreement dated February 16, 2002 inter alia between the Company and GE Capital Mauritius Equity Investment, GE Capital Mauritius Equity Investment has assigned 445,000 warrants to GE Strategic Investment India vide an Assignment Letter dated January 25, 2006. Subsequent to this, GE Strategic Investment India has exercised the right to convert 445,000 warrants into 445,000 Equity Shares of ₹ 2 each at the price of ₹ 2 per share.
- 12 Upon consolidation of each of the five equity shares of ₹ 2 each into one equity share of ₹ 10 as approved by Shareholders at the Extra Ordinary General Meeting of the Company held on January 25, 2006. The Consolidation was given effect on January 30, 2006.
- 13 In the EGM of the Company held on January 25, 2006, the shareholders approved the issuance of 5,355,255 bonus shares of ₹ 10 each in the ratio of 1:1 by way of capitalisation of accumulated profits. The bonus has been given effect from January 30, 2006.
- 14 Allotment made in the initial public offer of the Company.
- 15 24,390 equity shares of the Company allotted to employees of the Company pursuant to R Systems International Limited Year 2004 Employee Stock Option Plan of the Company at an exercise price of ₹ 105 per share.
- 16 22,800 equity shares of the Company allotted to various employee of the Company pursuant to R Systems International Limited Year 2004 Employee Stock Option Plan-ECnet at an exercise price of ₹ 65 per share.
- 17 Company had bought back 1,265,820 equity shares through the Open Market at an average price of ₹ 63.20 per share pursuant to Board Approval dated September 07, 2008.
- 18 Allotment of Equity Shares of the Company to various employees pursuant to R Systems International Limited Employee Stock Option Scheme-2007 at an exercise price of ₹ 120.70 per share.
- 19 Upon Sub-division of Equity Shares of ₹ 10 each into ten Equity Shares of ₹ 1 each approved by Shareholders through Postal Ballot on January 14, 2014 (*as per Scrutinizer's Report dated January 13, 2014*). The record date fixed for this purpose was February 28, 2014.
- 20 Allotment of Equity Shares of the Company to various employees pursuant to R Systems International Limited Employee Stock Option Scheme-2007 at an exercise price of ₹ 12.07 per share.
- 21 The Company has Bought Back 678,155 equity shares from the Open Market from at an average Price of ₹ 87.85 per share pursuant to Board approval dated December 20, 2014.

IV. The Details of the Board of Directors of the Company as on date of the Letter of Offer are as follows:

S. no.	Name of the Director	Designation	Qualification	Occupation	Date of Appointment	Directorship in other Companies
1	Mr. Satinder Singh Rekhi DIN – 00006955	Managing Director	Bachelor of Technology From IIT, Kharagpur And Masters in Business Administration	Business	14-May-93	<ol style="list-style-type: none"> 1. R Systems, Inc. (U.S.A.) 2. R Systems Technologies Ltd. (Formerly known as Indus Software, Inc. (U.S.A.)) 3. R Systems (Singapore) Pte., Ltd., Singapore 4. ECnet, Inc. (U.S.A.) 5. Computaris International Limited (U.K.) 6. RSYS Technologies Ltd. (formerly known as Systèmes R. International Ltée, Canada) 7. ECnet Systems (Thailand) Company Limited 8. RightMatch Holdings Ltd. (Mauritius) 9. Computaris USA Inc. 10. IBIZCS Group Pte. Ltd., Singapore 11. IBIZ Consulting Services Pte. Ltd., Singapore 12. IBIZ Consulting Services Ltd., Hong Kong
2	Lt. Gen. Baldev Singh (Retd.) DIN: 00006966	President and Senior Executive Director	Masters in Military Sciences	Service	01-Sep-97	Nil
3	Mrs. Ruchica Gupta DIN- 06912329	Non-Executive Independent Director	M. Phil. University of Delhi	Professional	07-Jul-14	Nil
4	Mr. Kapil Dhameja DIN- 02889310	Non-Executive Independent Director	B. Tech. from IIT, Delhi & PGDM (MBA) from Indian Institute of Management, Kolkata.	Business	29-Jun-16	Kapsa Wellness Private Limited
5	Mr. Aditya Wadhwa DIN- 07556408	Non-Executive Independent Director	B.A. LL.B. (Hons.) NALSAR University, Hyderabad	Professional	29-Jun-16	Nil

V. The details of changes in the Board of Directors during the last 3 years are as under:

S. No.	Name of the Director	Designation	Details of Change	Reasons for Changes
1	Mr. Amardeep Singh Ranghar	Non-Executive Independent Director	Appointed on July 07, 2014 as Additional Director.	Appointed as Independent Director
			Appointed as Independent Director w.e.f. March 29, 2015 for First Term.	Pursuant to Shareholders approval in AGM held on June 09, 2015.
			Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term as independent director at AGM held on June 13, 2016.
2	Mrs. Ruchica Gupta	Non-Executive Director	Appointed on July 07, 2014 as Additional Director	Appointed as Woman Director
			Regularisation of directorship on AGM held on June 09, 2015	Pursuant to Shareholders approval in AGM held on June 09, 2015.
			Appointed as Independent Director on Board of Directors Meeting held on June 29, 2016. Subsequently approved by shareholders of the Company through postal ballot on September 09, 2016.	Appointed as Independent Director.
3	Mr. Anuj Kanish	Non-Executive Independent Director	Appointed on July 28, 2012 as Alternate Director to Mr. Gurbax Singh Bhasin. Then appointed as Additional Director on May 11, 2013. He ceased to be Director of the Company w.e.f. May 10, 2014.	Due to his personal professional commitments in USA, he requested not to be re-appointed after the expiry of his term on May 10, 2014.
4	Mr. Raj Swaminathan	Director and Chief Operating Officer	Ceased to be Director w.e.f. June 27, 2015.	Resignation
5	Mr. Raj Kumar Gogia	Non-Executive Independent Director	Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term as independent director at AGM held on June 13, 2016.
6	Mr. Suresh Paruthi	Non-Executive Independent Director	Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term at AGM held on June 13, 2016.
7	Mr. Gurbax Singh Bhasin	Non-Executive Independent Director	Ceased to be Director w.e.f. June 13, 2016.	Non-receipt of approval from the requisite majority of members for second term at AGM held on June 13, 2016.
8	Mr. Kapil Dhameja	Non-Executive Independent Director	Appointed on June 29, 2016 as Additional Director.	Appointed as Director in the capacity of Independent Director.
9	Mr. Aditya Wadhwa	Non-Executive Independent Director	Appointed on June 29, 2016 as Additional Director.	Appointed as Director in the capacity of Independent Director.

VI. The Buyback will not result in any benefit to any Directors of the Company/ Promoters and Promoter Group/ Person Acting in Concert of the Company/ group companies except to the extent of their intention to

participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which may lead to a reduction in the equity share capital post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

- I. The salient financial information of the Company as extracted from the standalone audited financial statements for the half-year ended June 30, 2016 and last three years being December 31, 2015, December 31, 2014 and December 31, 2013 are as under:

Rupees in crore, unless otherwise stated

Particulars	6 month Period ended	Year Ended		
	June 30, 2016 (Audited)	December 31, 2015 (Audited)	December 31, 2014 (Audited)	December 31, 2013 (Audited)
Total Income	133.96	298.88	304.57	273.97
Total Expenses (excluding Interest and Depreciation)	101.94	236.21	235.99	214.97
Interest on loans	0.06	0.10	0.08	0.07
Depreciation	3.39	9.58	6.72	4.78
Exceptional Items	-	64.81	39.31	-
Profit before tax	28.57	117.80	101.09	54.15
Provision for tax (including Deferred Tax)	10.16	27.15	26.06	17.60
Profit after tax (including exceptional items)	18.41	90.65	75.03	36.55
Equity Share Capital	12.61	12.61	12.67	12.59
Reserves & Surplus*	204.24	185.76	162.41	175.46
Net worth*	216.85	198.37	175.08	188.05
Total debt	1.34	1.16	0.93	0.68

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

II. Key financial ratios:

Particulars	6 month period ended	Year Ended		
	June 30, 2016 (Audited)	December 31, 2015 (Audited)	December 31, 2014 (Audited)	December 31, 2013 (Audited)
Key Ratios				
Earnings per Share ⁽¹⁾:				
– Basic (₹)	1.45*	7.14	5.90	2.90
– Diluted (₹)	1.45*	7.14	5.90	2.90
Earnings per Share ⁽¹⁾ (excluding exceptional Items) :				
– Basic (₹) ⁽¹⁾	1.45*	2.53	3.24	2.90
– Diluted (₹)	1.45*	2.53	3.24	2.90
Book Value per Share – Basic (₹) ⁽²⁾	17.19	15.73	13.82	14.93
Return on Net Worth ⁽³⁾	9.36%*	45.69%	42.85%	19.44%
Return on Net worth ⁽³⁾ (excluding exceptional items)	9.36%*	16.20%	23.58%	19.44%
Debt-Equity Ratio ⁽⁴⁾	0.01	0.01	0.01	0.00
Total Debt/ Net worth ⁽⁵⁾	0.01	0.01	0.01	0.00

* Not annualised

Note: Below are the formulae used for computation of the above ratios:

- (1) Earnings per Share = Profit After Tax/ weighted average Number of Shares outstanding for the period
- (2) Book value per Share = Net Worth (excluding Revaluation Reserves)/ Number of Shares at the end of the period
- (3) Return on Net Worth = Profit After Tax/ Net Worth (excluding revaluation reserves)
- (4) Debt-Equity Ratio = Total Debt/ Net Worth (excluding revaluation reserves)
- (5) Total Debt/ Net Worth = Total Debt/ Net Worth (excluding revaluation reserves)

- III. The debt equity ratio of the Company post Buyback shall be compliant with the permissible limit under the Companies Act. Relevant financial parameters consequent to the Buyback based on the standalone audited financial statements as on December 31, 2015, of the Company are as under:

Parameter	Pre-buyback (As on December 31, 2015)	Post-Buyback (Based on financial position as on December 31, 2015)
Net Worth (₹ in crores)	198.37	178.87
Total Debt (₹ in crores)	1.16	1.16
Total Debt / Equity Ratio (Total Debt / Networth)	0.0058	0.0065

Note:

- a. For the above purpose, "Networth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited standalone balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Pre and post Buyback calculations are based on audited standalone financials as on December 31, 2015. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full Acceptance) without factoring in any impact on the profit & loss account.
- b. Total debt / equity Ratio is calculated as total debt divided by Networth.

- IV. The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014.

16. STOCK MARKET DATA

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

Period	High Price (₹)	Date of High Price & Number of shares traded on that date	Low Price (₹)	Date of Low Price & Number of shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of shares)
PRECEDING 3 YEARS						
Sep 15- Aug 16	81.55	28-Oct-15[74,829]	50.35	25-Jul-16*[13,918]	62.93	5,627,395
Sep 14- Aug 15	97.20	15-Apr-15[131,886]	48.65	25-Sep-14[48,824]	70.80	14,463,287
Feb 26, 2014 – Aug 14	62.60	26-Feb-14 [241,343]	36.20	28-Mar-14 [134,964]	46.76	8,737,762
Sep 13- Feb 25, 2014^	672.00	24-Feb-14[264,343]	273.20	2-Sep-13[1,410]	356.19	1,380,158
PRECEDING 6 MONTHS						
Aug 16	55.50	1-Aug-16[1,17,672]	52.15	11-Aug-16[12,342]	53.41	4,38,902
Jul 16	57.10	29-Jul-16[907,974]	50.35	25-Jul-16[13,918]	51.87	1,260,493
Jun 16	56.65	9-Jun-16[28,878]	50.85	28-Jun-16[29,457]	54.35	410,234
May 16	61.30	18-May-16[76,882]	55.50	26-May-16[14,966]	57.09	631,558
Apr 16	63.85	22-Apr-16[17,766]	60.35	1-Apr-16[11,484]	62.00	270,268
Mar 16	62.70	11-Mar-16[4,448]	59.00	29-Mar-16[13,582]	61.15	206,209

Source: nseindia.com

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

*The lowest price also appeared on 20-Jul-16 with 6,646 Equity Shares traded on NSE. The date considered in the table above is 25-Jul-16, since the volume traded on 25-Jul-16 at the lowest price i.e. ₹ 50.35 is higher.

^ Note: Pursuant to the necessary resolution passed by the shareholders through postal ballot on January 14, 2014 (as per Scrutinizer's Report dated January 13, 2014), the Equity Shares of the company having face value of ₹ 10 each had been sub-divided into Equity Shares of face value ₹ 1 each. The trading in the Equity Shares after sub-division on the aforesaid Stock Exchanges had become effective as per record date of February 28, 2014 fixed for the purpose.

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

Period	High Price (₹)	Date of High Price & Number of shares traded on that date	Low Price (₹)	Date of Low Price & Number of shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of shares)
PRECEDING 3 YEARS						
Sep 15- Aug 16	81.55	28-Oct-15[27,337]	50.35	22-Jul-16[2,813]	62.94	1,826,849
Sep 14- Aug 15	97.05	15-Apr-15[64,054]	48.40	25-Sep-14[37,469]	70.81	5,413,974
Feb 26, 2014 – Aug 14	62.20	26-Feb-14 [123,188]	36.15	28-Mar-14 [34,850]	46.72	4,352,734
Sep 13- Feb 25, 2014 [^]	672.30	24-Feb-14[117,241]	270.00	2-Sep-13[1,689]	356.86	833,691
PRECEDING 6 MONTHS						
Aug 16	55.55	1-Aug-16[32,661]	52.10	10-Aug-16[5,241]	53.37	126,859
Jul 16	56.80	29-Jul-16[2,11,171]	50.35	22-Jul-16[2,813]	51.91	304,245
Jun 16	56.70	6-Jun-16[4,223]	51.05	28-Jun-16[5,500]	54.36	110,061
May 16	61.45	18-May-16[24,730]	55.50	13-May-16[4,367]	57.07	198,021
Apr 16	63.85	22-Apr-16[3,553]	60.00	1-Apr-16[4,287]	61.85	72,816
Mar 16	62.95	10-Mar-16[4,241]	59.25	29-Mar-16[5,432]	61.12	88,737

Source: bseindia.com

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

^ Note: Pursuant to the necessary resolution passed by the shareholders through postal ballot on January 14, 2014 (as per Scrutinizer's Report dated January 13, 2014), the Equity Shares of the company having face value of ₹ 10 each had been sub-divided into Equity Shares of face value ₹ 1 each. The trading in the Equity Shares after sub-division on the aforesaid Stock Exchanges had become effective as per record date of February 28, 2014 fixed for the purpose.

- IV. The closing market price of the Equity Shares on BSE and NSE as on September 12, 2016, being the working day previous to the day the Board approved the proposal for Buyback, was ₹ 62.60 and ₹ 62.65 respectively.
- V. The closing market price of the Equity Shares on BSE and NSE as on September 15, 2016, being the working day after the day the Board approved the proposal for Buyback, was ₹ 60.40 and ₹ 60.65 respectively.

17. DETAILS OF THE STATUTORY APPROVALS

- I. The Buyback is subject to approvals, if any, required under the provisions of the Companies Act, the Buyback Regulations, SEBI, and applicable rules and regulations as specified by RBI under FEMA and/ or such other applicable rules and regulations for the time being in force. As on date, there are no other statutory or regulatory approvals required to implement the Buyback other than those indicated above.
- II. Buyback from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Indians ("NRI") and erstwhile Overseas Corporate Bodies ("OCB") must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such non-resident shareholders, NRI, OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender Equity Shares in the buyback and for the Company to purchase such Equity Shares, tendered. The Company will have

the right to make payment to the Eligible Sellers in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Sellers in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

- III. If any statutory or regulatory approvals become applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory/ regulatory approvals are delayed, changes to the proposed timetable of the Buyback, if any, shall be intimated to BSE and NSE.

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

I. Registrar to the Buyback

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup West, Mumbai 400 078
Maharashtra, India
Tel: +91 22 6171 5400
Fax: + 91 22 2596 0329
E-mail: rsystems.buyback@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance E-mail: rsystems.buyback@linkintime.co.in
Contact person: Mr. Ganesh Mhatre
SEBI Registration No.: INR000004058/ Permanent

II. Collection Centres:

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

THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- I. The Company proposes to Buyback not exceeding 3,000,000 fully paid-up Equity Shares from the Equity Shareholders as on the Record Date, on a proportionate basis, through the tender offer route at a price of ₹ 65 (Rupees Sixty Five only) per Equity Share, payable in cash for an aggregate amount of ₹ 195,000,000 (Rupees Nineteen Crores Fifty Lakhs only). The maximum number of Equity Shares proposed to be bought back represents 2.36% of the total paid-up equity share capital of the Company as at December 31, 2015. The Buyback is in accordance with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Companies Act and in accordance with Article 70 of the Articles of Association of the Company and subject to Regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and/ or regulatory authorities, including but not limited to SEBI, and the RBI. The Buyback Size is 9.88% of the fully paid-up equity share capital and free reserves as per the latest audited standalone balance sheet of the Company for the financial year ended December 31, 2015 (the last yearly standalone audited balance sheet available as on the date of the Board meeting approving the Buyback).
- II. The aggregate shareholding of the Promoter and Promoter Group as at the date of the Public Announcement is 64,448,406 Equity Shares which represents 50.80% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated September 14, 2016, to participate in the Buyback and offer up to an

aggregate maximum number of 1,811,000 Equity Shares and some of the Persons acting in concert have expressed their intention vide their letters dated September 14, 2016 to participate in the Buyback and offer up to an aggregate maximum number of 125,000 Equity Shares, and hence a total of Promoter and Promoter Group and Person Acting in Concert will offer in aggregate maximum number of 1,936,000 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/terms of the Buyback.

III. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may increase to 50.93% from 50.80% prior to the Buyback.

IV. **Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**

- a. The Board in its meeting held on September 14, 2016 announced September 30, 2016 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buyback.
- b. The Equity Shares to be bought back as a part of this Buyback are divided into two categories:
 - i. Reserved category for Small Shareholders ("Reserved Category"); and
 - ii. General Category for other Eligible Sellers ("General Category").
- c. As defined in the Buyback Regulations, Small Shareholder includes a shareholder, who holds shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than Two Lakh Rupees. As on Record Date, the closing price on NSE (it being the stock exchange with highest trading volume on the Record Date) was ₹ 57.25; Accordingly, all Shareholders holding not more than 3,493 Equity Shares as on the Record Date are classified as "Small Shareholders" for the purpose of the Buyback Offer.
- d. Based on the above definition, there are 14,233 Small Shareholders in the Company with aggregate shareholding of 6,028,983 Equity Shares as on the Record Date, which constitutes 4.75% of the outstanding number of Equity Shares of the Company and 200.97% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buyback.
- e. In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
 - (i) Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 3,000,000 Equity Shares which works out to 450,000 Equity Shares; or
 - (ii) The number of Equity Shares entitled as per their shareholding as on Record Date i.e. $(6,028,983/126,870,425) \times 3,000,000$ which works out to be 142,562 Equity Shares.
 1. All the outstanding fully paid-up Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group also intend to offer Equity Shares held by them in the Buyback.
 2. Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 450,000 (Rounded off) fully paid-up Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Equity Shareholders shall consist of 2,550,000 Equity Shares.

- f. Based on the above Buyback Entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback*
Reserved category for Small Shareholders	5 Equity Shares out of every 67 fully paid-up Equity Shares held on the Record Date.
General category for all other Equity Shareholders	3 Equity Shares out of every 142 fully paid-up Equity Shares held on the Record Date.

**The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is 7.4639% and General category for all other Eligible Sellers is 2.1102%.*

V. Fractional Entitlements:

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

On account of ignoring the fractional entitlement, those Small Shareholders who hold 13 or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

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

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

- a) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- b) Post the acceptance as described in Clause 19. (VI) (a) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and one share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in Clause 19. (VI) (a) and 19. (VI) (b) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buyback Regulations, i.e. valid Acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with clause 19. (VI) (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate Acceptance, as described in Clause 19. (VI) (c) above:

- (i) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- (ii) For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

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

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

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

VIII. Basis of Acceptance of Equity Shares between Categories

- a) In case there are any Equity Shares left to be bought back in one category (“Partially filled Category”) after Acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately, i.e. valid Acceptances per Eligible Seller shall be equal to the additional outstanding Equity Shares validly tendered by an Eligible Seller in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the partially filled category.
- b) If the Partially filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Equity Share has been accepted in accordance with clause 19. (VI) (b) shall be reduced by one.

- c) Adjustment for fraction results in case of proportionate Acceptance, as defined in clause 19. (VII) (a) and (b) above:
 - i. For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - ii. For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

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

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

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- I. The Buyback is open to all Eligible Sellers.
- II. The Company proposes to effect the Buyback through a tender offer method, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Sellers.
- III. The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such shares.
- IV. The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- V. Eligible Sellers will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Sellers are required to tender the applications separately from each demat account.
- VI. The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Sellers, on the basis of their Buyback Entitlement as on the Record Date.
- VII. As elaborated under clause 19. (IV) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Sellers, and the Buyback Entitlement of an Eligible Seller in each category shall be calculated accordingly.
- VIII. After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares

tendered, over and above their Buyback Entitlement, by Eligible Sellers in that category, and thereafter, from Eligible Sellers who have tendered over and above their Buyback Entitlement, in other category.

- IX. The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange pursuant to tender offer under Buyback” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- X. For implementation of the Buyback, the Company has appointed Motilal Oswal Securities Limited as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:
- Motilal Oswal Securities Limited;**
Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opposite Parel S.T. Bus Depot,
Prabhadevi – Mumbai – 400 025
Contact Person: Himanshu Vora;
Contact Number: +91 22 3089 6000;
Email: himanshu.vora@motilaloswal.com
- XI. The Company will request BSE to provide the separate acquisition window to facilitate placing of sell orders by shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time.
- XII. All Eligible Sellers may place orders in the Acquisition Window, through their respective stock brokers (“Seller Member(s)”).
- XIII. During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Sellers through their respective Seller Members during normal trading hours of the secondary market.
- XIV. Seller Members can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
- XV. In the event the Seller Member(s) of the Eligible Seller is not registered with BSE, then such Eligible Seller can approach any BSE registered stock broker and make a bid by using quick unique client code facility after submitting the details as may be required by such stock broker for compliance with applicable rules, regulations and guidelines issued by SEBI. In case the Eligible Seller is not able to identify a BSE registered stock broker, then such Eligible Seller may contact the Manager to the Buyback for assistance in approaching a BSE registered stock broker.
- XVI. Modification/ cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Equity Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.
- XVII. The cumulative quantity tendered shall be made available on BSE’s website, <http://www.bseindia.com>, throughout the trading session and will be updated at specific intervals during the Tendering Period.
- XVIII. All documents sent by the Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
- XIX. **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form:**

- a) Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
- b) The Eligible Seller/ Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the clearing corporation for the transfer of the Equity Shares to the special account of clearing corporation before placing the bids/ orders and the same shall be validated at the of order entry.
- c) The details of the special account of clearing corporation shall be informed in issue opening circular that will be issued by BSE/ clearing corporation.
- d) For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- e) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- f) Eligible Sellers who have tendered their Equity Shares in the Buyback can 'hand deliver' Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in same order in which they hold the Equity Shares, along with (i) the TRS generated by the exchange bidding system at the head-office (mentioned in clause 18 of this Letter of Offer) of Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buyback Offer, may send the same by registered post/ speed post, at their own risk, superscribing the envelope as "R Systems International Limited Buyback Offer", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this Letter of Offer, so that the same are received not later than 2 (two) days from the Closing Date i.e. Wednesday, November 23, 2016 (by 5 PM).
- g) All the Eligible Sellers shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
 - i. Duly attested power of attorney, if any person other than the Eligible Seller has signed the Tender Form;
 - ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Seller has expired; and
 - iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- h) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the clearing corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
- i) The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company.

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

- a) Equity Shareholders who are holding physical Equity Shares and intend to participate in the Buyback are required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:
- i. The Tender Form duly signed (by all Equity Shareholders in case Equity Shares are in joint names) the same order in which they hold the Equity Shares;
 - ii. Original share certificates;
 - iii. Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Equity Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company;
 - iv. Self-attested copy of the Equity Shareholder's PAN Card;
 - v. Any other relevant documents such as (but not limited to):
 - Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form;
 - Notarized copy of death certificate/ succession certificate or probated will, if the original Equity Shareholder has deceased;
 - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies;
 - vi. In addition to the above, if the address of the Equity Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Equity Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- b) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- c) After placement of bid, as mentioned in clause 20. (XX)(b) above, the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in clause 20. (XX) (a) above) either by registered post or courier or hand delivery to the Registrar and Transfer Agent ("RTA") (at the address mentioned on the cover page and mentioned in clause 18(l) above) not later than 2 (two) days from the Closing Date i.e. Wednesday, November 23, 2016 (by 5 PM). The envelope should be superscribed as "R Systems International Limited Buyback Offer". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member.
- d) Equity Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents

submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once, RTA confirms the bids it will be treated as 'Confirmed Bids'.

- e) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
- f) In case any person has submitted Equity Shares in physical form for dematerialization, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before Closing Date.

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

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

XXII. In case of non-receipt of this Letter of Offer:

- a) In case the Equity Shares are in dematerialised form: An Eligible Seller may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.rsystems.com or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- b) In case the Equity Shares are in physical form: An Eligible Seller may participate in the Offer by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.rsystems.com. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in clause 20. (XX) (a) above), reach the collection centres not later than 2 (two) days from the Closing Date i.e Wednesday, November 23, 2016 (by 5 PM). If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the

specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

- c) Please note that Eligible Seller(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.
- d) The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Seller(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

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

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

XXV. Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- a) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- b) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member/ Custodian Participant will receive funds payout in their settlement bank account. The Seller Members/ Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- c) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company (the "Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
- d) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to the respective Seller Members by clearing corporation as part of the exchange payout process, not later than Wednesday, November 30, 2016 . In case of custodian participant orders, excess demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective custodian participant. The Seller Members/ custodian participants would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
- e) Equity Shares in physical form, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA. The Company will issue a new single share certificate for all the unaccepted physical Equity Shares and return the same to the sole/ first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted/ rejected Equity Shares and other documents, if any, will be sent by Registered Post/ Speed Post at the Equity Shareholders' sole risk to

the sole/ first Shareholder (in case of joint Equity Shareholders), at the address recorded with the Company, not later than Wednesday, November 30, 2016.

- f) Every Seller Member, who puts in a valid bid on behalf of an Eligible Seller, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

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

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

21. NOTE ON TAXATION

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

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

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

I. GENERAL

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

shareholder subject to meeting relevant conditions and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

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

II. CLASSIFICATION OF SHAREHOLDERS

Shareholders can be classified under the following categories:

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

III. CLASSIFICATION OF INCOME

Shares can be classified under the following two categories:

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

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

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

A. SHARES HELD AS INVESTMENT

- i. As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per computation provisions contained in section 48 of the Income Tax Act. The provisions

of buyback tax on the Company under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

ii. Period of holding

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

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

iii. Buyback of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buyback) is transacted through a recognized stock exchange then the taxability will be as under (for all categories of shareholders):

- LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
 - STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.
- iv. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In such cases, where the total income as reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess).
- v. Further in case of Eligible Sellers being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses etc. for the year.
- vi. Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement ("DTAA"), if any, entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.
- vii. As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax ("STT"). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security transacted.

B. SHARES HELD AS STOCK-IN-TRADE

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

i. Resident Shareholders

- a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- b) For persons other than stated in a) above, profits would be taxable @ 30% or other applicable tax rate. No benefit of indexation by virtue of period of holding would be available in any case.

ii. Non Resident Shareholders

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

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

IV. TAX DEDUCTION AT SOURCE

A. In case of Resident Shareholders

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

B. In case of Non-resident Shareholders

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

V. RATE OF SURCHARGE AND CESS

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

A. Surcharge

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crores and @ 7% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of other assessee (i.e. other than companies): Surcharge @15% (increased to 15% by Finance Act, 2016 applicable from Financial year 2016-17) is leviable where the total income exceeds ₹ 1 crore.

B. Cess

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases

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

22. DECLARATION BY THE BOARD OF DIRECTORS

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

The Board of Directors made the aforementioned declaration as on the date of passing the board resolution approving the Buyback i.e. September 14, 2016. Subsequently, pursuant to the authority granted to the Buy Back Committee by the Board of Directors of Company, in terms of resolutions dated September 14, 2016, the Buy Back Committee has confirmed on behalf of the Board of Directors that:

1. there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. it has, based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Companies Act formed an opinion that:
 - a) immediately following the date of the Letter of Offer, there will be no grounds on which the Company could be found unable to pay its debts;
 - b) as regards the Company's prospects for the year immediately following the date of Letter of Offer, that, having regard to their intention with respect to the management of Company's business during the said year and to the amount and character of the financial resources, which will be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

This declaration is made and issued by the Buyback Committee under the authority of Board of Directors of the Company in terms of the resolution passed at the meeting held on September 14, 2016.

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

Sd/-

Sd/-

Satinder Singh Rekhi
Managing Director
(Director Identification Number (DIN): 00006955)

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

23. AUDITOR'S CERTIFICATE

Quote

To
The Board of Directors
R Systems International Limited
B-104A, Greater Kailash- I
New Delhi- 110048

Dear Sirs,

Subject: Report in terms of Clause (xi) of Part A of Schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

In connection with the proposal of R Systems International Limited ('the Company'), and as approved by its Board of Directors at its meeting held on September 14, 2016, to buy back its shares and in pursuance to the provisions of Section 68, 69 and 70 of the Companies Act, 2013 read together with relevant rules made thereunder and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and subsequent amendments thereof, and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report as follows:

- i) We have inquired into the Company's State of Affairs in relation to its audited standalone financial statements for the year ended December 31, 2015, which were approved by the Board of Directors at its meeting held on February 06, 2016.
- ii) The Board of directors has proposed to Buy-back the Company's equity to the extent of Rs. 1,950 lakhs. The amount of permissible capital payments towards Buy-back of equity shares has been properly determined in accordance with Section 68(2) of the Companies Act, 2013:

Particulars	Amount * (Rs. In lakhs)	Amount * (Rs. In lakhs)
Paid-up capital as at December 31, 2015		
126,870,425 equity shares of Re. 1 each fully paid-up		1,268.70
Free Reserves as on December 31, 2015		
Securities Premium	9,039.34	
General Reserve	1,568.04	
Surplus in the statement of profit and loss	7,858.02	18,465.39
Total		19,734.10
Maximum amount permissible for the Buy-back i.e. 10% of total paid-up equity capital and free reserves		1,973.41

* Based on audited stand-alone financial statements of the Company as at December 31, 2015.

- iii) The Board of Directors in their meeting held on September 14, 2016 have formed the opinion as specified in Clause (x) of Part A of Schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
- iv) We performed our procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). These procedures include examining evidence supporting the particulars above on a test basis.
- v) This report has been prepared for and only for the Company and is in reference to proposed Buy-back of Equity Shares approved by the Board of Directors of the Company at its meeting held on September 14, 2016 in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act 2013 read together with relevant rules made thereunder; and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and for no

other purpose. We do not accept or assume any liability or duty of care for any other purpose save where expressly agreed by our prior consent in writing.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per Yogender Seth
Partner
Membership No. 94524

Place: Gurgaon
Date: September 14, 2016

Unquote

24. DOCUMENTS FOR INSPECTION

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

1. Certificate of Incorporation of the Company.
2. Memorandum and Articles of Association of the Company.
3. Annual reports of the Company for the last three financial years viz. December 31, 2015, 2014 and 2013.
4. Copy of resolution passed by the Board of Directors at their meeting held on September 14, 2016 approving the proposal of the Buyback.
5. Certificate dated September 14, 2016 received from S.R. Batliboi & Associates LLP, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations.
6. Copy of Public Announcement dated September 15, 2016 published in the newspapers on September 16, 2016 regarding Buyback.
7. Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 of the Companies (Share Capital and Debentures) Rules, 2014.
8. Certificate from S. K. Relan & Co., Chartered Accountants, dated September 20, 2016 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Buyback Regulations.
9. Undertakings from the following Promoter and Promoter Group members dated September 14, 2016: (i) Satinder Singh Rekhi; (ii) Satinder & Harpreet Rekhi Family Trust; (iii) RightMatch Holdings Limited; (iv) GMU Infosoft Private Limited; (v) G M Solutions Private Limited; (vi) U Infosoft Private Limited; (vii) Sartaj Singh Rekhi; and (viii) Ramneet Singh Rekhi regarding participation in the Buyback and undertakings from the following Persons acting in Concert dated September 14, 2016: (i) Lt. Gen. Baldev Singh (Retd.); and (ii) Mandeep Singh Sodhi regarding participation in Buyback

10. Copy of Escrow Agreement dated September 22, 2016 between R Systems International Limited, Motilal Oswal Investment Advisors Private Limited and Kotak Mahindra Bank Limited.
11. Confirmation letter by the Escrow Bank dated September 23, 2016 that the Escrow Account has been opened and Escrow Amount has been deposited.
12. SEBI comments vide letter dated October 21, 2016 issued in terms of the Buyback Regulations.

25. DETAILS OF THE COMPLIANCE OFFICER AND COMPANY INVESTOR RELATIONS

Mr. Ashish Thakur,

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

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

26. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS

- I. In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the investor can approach the Compliance Officer of the Manager to the Buyback and/ or Registrar to the Buyback and/ or Compliance Officer of the Company for redressal.
- II. If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.
- III. The address of the concerned office of the Registrar of Companies is as follows:
Registrar of Companies, NCT of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place,
New Delhi – 110019, India

27. DETAILS OF INVESTOR SERVICE CENTRE



Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup West, Mumbai 400 078
Maharashtra, India
Tel: +91 22 6171 5400
Fax: + 91 22 2596 0329

E-mail: rsystems.buyback@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance E-mail: rsystems.buyback@linkintime.co.in

Contact person: Mr. Ganesh Mhatre

SEBI Registration No.: INR000004058/ Permanent

CIN: U679190MH1999PTC118368

28. DETAILS OF THE MANAGER TO THE BUY BACK



Motilal Oswal Investment Advisors Private Limited

Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025
Maharashtra, India

Tel: +91 22 3980 4200 | **Fax:** +91 22 3980 4315

E-mail: rsystems.buyback2016@motilaloswal.com

Investor Grievance E-mail: moiaplredressal@motilaloswal.com

Website: <http://www.motilaloswalgroup.com>

Contact person: Mr. Subodh Mallya

SEBI Registration No.: INM000011005 / Permanent

CIN: U67190MH2006PTC160583

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

As per Regulation 19(1)(a) of the Buyback Regulations, the Directors of the Company accept full responsibility for the information contained in this Letter of Offer. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on September 14, 2016.

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

Sd/-

Sd/-

Sd/-

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

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

Name: Ashish Thakur
Designation: Company Secretary &
Compliance Officer
Membership No.: A33607

Place: Noida (U.P.), India

Date: October 21, 2016

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

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

14. Equity Shareholders Details:

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

* Corporate must affix rubber stamp

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

- The Buyback will open on Monday, November 7, 2016 and close on Monday, November 21, 2016.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- The Equity Shares tendered in the Buyback shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the shareholder.
- The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
- Eligible Sellers to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
- For the procedure to be followed by Equity Shareholders for tendering in the Buyback, please refer to Clause 20 of the Letter of Offer.
- All documents sent by Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
- The Buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). Further Non-Resident Shareholders are required to submit all requisite documents as stated in paragraph 20 - XXI of the Letter of Offer.

Tear along this line

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

Investor Service Centre, R SYSTEMS INTERNATIONAL LIMITED BUY BACK OFFER 2016
 Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai 400 078, Maharashtra, India.
 Tel: +91 22 6171 5400 | Fax: +91 22 2596 0329 | Email: rsystems.buyback@linkintime.co.in | Website: www.linkintime.co.in
 Contact Person: Mr. Ganesh Mhatre

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

Bid Number:

Date:

BUYBACK OPENS ON	Monday, November 7, 2016	
BUYBACK CLOSES ON	Monday, November 21, 2016	
For Registrar / Collection Centre use		
Inward No.	Date	Stamp
Status (please tick appropriate box)		
<input type="checkbox"/> Individual	<input type="checkbox"/> FII	<input type="checkbox"/> Insurance Co
<input type="checkbox"/> Foreign Co	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI	<input type="checkbox"/> Pension/PF
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others
India Tax Residency Status: Please tick appropriate box		
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	Resident of _____ (shareholder to fill in country of residence)

To,

R Systems International Limited,

C/o Link Intime India Private Limited

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

Dear Sirs,

Sub: Letter of Offer dated October 21, 2016 to Buyback upto 3,000,000 (Thirty Lakhs) Equity Shares of R Systems International Limited (the "Company") at a price of Rs. 65 (Rupees Sixty Five only) per Equity Share ("Buyback Price"), payable in cash

- I / We (having read and understood the Letter of Offer dated October 21, 2016) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
- I / We agree that the consideration for the accepted Shares will be paid to the Seller Member as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We agree that the Company is not obliged to accept any Equity Shares tendered/offered for Buyback where loss of share certificates has been notified to the Company.
- I / We authorize the Company to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered by me/us in the Buyback.
- I / We undertake to execute such further documents and give such further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (Friday, September 30, 2016)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares)		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Seller up to the Buyback Entitlement of such Eligible Seller shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with clause 19 (VI), 19 (VII), 19 (VIII) and 19 (IX) of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

Acknowledgement Slip: R SYSTEMS INTERNATIONAL LIMITED BUY BACK OFFER 2016

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

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

12. Details of Share Certificate:

Total No. of Share Certificates Submitted:

In case the number of folios and share certificates enclosed exceed 4 nos., please attach a separate sheet giving details in the same format as under.

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

13. Equity Shareholders Bank Details:

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

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

<input type="checkbox"/>	Power of Attorney	<input type="checkbox"/>	Corporate Authorization
<input type="checkbox"/>	Succession Certificate	<input type="checkbox"/>	Permanent Account Number (PAN Card)
<input type="checkbox"/>	Permanent Account Number (PAN Card)	<input type="checkbox"/>	TRS
<input type="checkbox"/>	Others (please specify)		

15. Equity Shareholders Details:

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

* Corporate must affix rubber stamp

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

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

- The Buyback will open on Monday, November 7, 2016 and close on Monday, November 21, 2016.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Sellers who wish to tender their Equity Shares in response to this Buyback should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before November 23, 2016 by 5 PM (i) The relevant Tender Form duly signed (by all Eligible Sellers in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Transfer deed (Form SH 4) duly signed (by all Eligible Sellers in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
- Eligible Sellers should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar & transfer Agent of the Company, if any person other than the Eligible Seller has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Seller is deceased; and (iii) Necessary corporate authorizations, such as Board Resolutions etc., in case of companies.
- Eligible Sellers to whom the Buyback offer is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
- All documents sent by the seller member/ custodian will be at their own risk and the seller member/ custodian is advised to adequately safeguard their interests in this regard.
- For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to clause 20 of the Letter of Offer.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other Company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). Further Non-Resident Shareholders are required to submit all requisite documents as stated in paragraph 20-XXI of the Letter of Offer.

Tear along this line

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

Investor Service Centre, R SYSTEMS INTERNATIONAL LIMITED BUY BACK OFFER 2016

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai 400 078, Maharashtra, India.

Tel: +91 22 6171 5400 | Fax: +91 22 2596 0329 | Email: rsystems.buyback@linkintime.co.in | Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Mhatre

Form No. SH-4

Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L74899DL1993PLC053579

Name of the company (in full): R Systems International Limited

Name of the Stock Exchange where the company is listed, if any: BSE Limited and National Stock Exchange of India Limited

DESCRIPTION OF SECURITIES:

Kind/Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	Re. 1/-	Re. 1/-	Re.1/-

No. of Securities being Transferred		Consideration Received (per Equity Share)	
In Figures	In Words	In words	In figures

Distinctive Number	From				
	To				
Corresponding Certificate Nos:					

Transferor's Particulars

Registered Folio Number:			
No.	Name(s) in full	PAN NO.	Signature(s)
1.			
2.			
3.			
I, hereby confirm that each of the Transferor has signed before me.			
Signature of Witness			
Name and address			

Form No. SH-4

Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Transferee's Particulars

Name in full	Father's/ mother's/ Spouse name	Address & E-mail ID	Occupation	Existing folio no., if any	Signature
(1)	(2)	(3)	(4)	(5)	(6)
R Systems International Limited	N.A.	Address: C - 40, Sector - 59, Noida, Uttar Pradesh- 201 307 Email ID: investors@rsystems.com	Business		

Folio No. of Transferee: _____

Specimen Signature of Transferee: _____

Value of stamp affixed: _____ (₹)

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, letter of allotment.
- (3) Others, specify

Stamps:

--

For office use only

Checked by _____ Signature tallied by _____

Entered in the Register of Transfer on _____ vide Transfer No. _____

Approval Date _____

Power of attorney/Probate/Death Certificate/Letter of administration Registered on
_____ at _____

No. _____