



R SYSTEMS INTERNATIONAL LIMITED

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Website: www.rsystems.com; Email: investors@rsystems.com; Company Secretary & Compliance Officer: Mr. Ashish Thakur

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF R SYSTEMS INTERNATIONAL LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED.

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended thereto (the "Buyback Regulations") and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations.

OFFER FOR BUYBACK OF UP TO 3,000,000 (THIRTY LAKHS) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF RE. 1/- (RUPEE ONE) EACH ("EQUITY SHARES") AT A PRICE OF RS. 65/- (RUPEES SIXTY FIVE ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE																																																
1.1. The Board of Directors of R Systems International Limited (the "Company") (the Board of Directors of the Company hereinafter referred to as the "Board"), at its meeting held on Wednesday, September 14, 2016 (the "Board Meeting"), pursuant to the provisions of Article 70 of Articles of Association of the Company and "applicable provisions" of the Companies Act, 2013, as amended (the "Companies Act") and in compliance with the Buyback Regulations 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 by the Company 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 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 from all of the shareholders who hold Equity shares as of the Record Date (as defined below) ("Buyback").																																																
1.2. The Buyback Size does not include any other 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.																																																
1.3. The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (the "NSE") and the BSE Limited (the "BSE") (hereinafter together referred to as the "Stock Exchanges").																																																
1.4. The Buyback Price of Rs. 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.																																																
1.5. The Buyback Price represents a premium of 17.03% and 17.48% over the volume weighted average market price of the Equity Shares on the NSE and BSE, respectively, for the 3 months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback and 20.06% and 19.74% over the volume weighted average market price of the Equity Shares on the NSE and BSE, respectively, for the 2 weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback. 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 Rs. 58.05 on NSE and Rs. 58.30 on the BSE. The Buyback Price is higher by 313.22% of the book value per Equity Share of the Company, which as of December 31, 2015, on a standalone basis, was Rs. 15.73 per equity share. The earnings per Equity Share of the Company prior to the Buyback, as on December 31, 2015, on a standalone basis, was Rs. 7.14 per Equity Share (excluding exceptional items the earnings per Equity Share was Rs. 2.53 per Equity Share). Assuming full acceptance under the Buyback the earnings per Equity Share of the Company will be Rs. 7.31 per Equity Share (excluding exceptional items the earnings per Equity Share will be Rs. 2.59 per Equity Share) post the Buyback.																																																
1.6. The Buyback is in accordance with Section 68 and other applicable provisions of the Companies Act, Buyback Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article 70 of the Articles of Association of the Company. The Buyback will be undertaken on a proportionate basis from the equity shareholders of the Company as on the Record Date (as defined below) ("Eligible Sellers") through the tender offer process prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Sellers and settlement of the same through the stock exchange mechanism as specified by SEBI in the circular CIR/CFD/POLICYCELL/12015 dated April 13, 2015. The Buyback is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/or regulatory authority including SEBI and the Stock Exchanges.																																																
1.7. The Buyback of Equity Shares may be subject to taxation in India and in the Country of Residence of the Eligible Sellers. In due course, Eligible Sellers will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences Eligible Sellers 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.																																																
2. NECESSITY OF THE BUYBACK																																																
2.1. 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:																																																
2.1.1. 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;																																																
2.1.2. 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";																																																
2.1.3. 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																																																
2.1.4. 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.																																																
3. DETAILS OF PROMOTER'S SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK																																																
3.1. The shareholding of the promoter and promoter group of the Company (the "Promoter and Promoter Group"), and Persons in Concert of the Company as on the date of the Board Meeting i.e. September 14, 2016 is given below:																																																
A. Promoter and Promoter Group																																																
Sr. No.	Name of Shareholder	Category	Number of Equity Shares	% of Equity Shares																																												
1.	Satinder Singh Rekhi	Promoter	1,309,200	1.03																																												
2.	Harpreet Rekhi	Promoter	760	Negligible																																												
3.	Satinder & Harpreet Rekhi Family Trust (Trustee: Satinder Singh Rekhi & Harpreet Rekhi)	Promoter	13,018,980	10.26																																												
4.	RightMatch Holdings Ltd.	Promoter	9,272,000	7.31																																												
5.	GMU Infosoft Private Limited	Member of Promoter Group	9,673,035	7.62																																												
6.	GM Solutions Private Limited	Member of Promoter Group	10,242,424	8.07																																												
7.	U Infosoft Private Limited	Member of Promoter Group	9,866,760	7.78																																												
8.	Sartaj Singh Rekhi	Member of Promoter Group	5,991,340	4.72																																												
9.	Ramneet Singh Rekhi	Member of Promoter Group	5,066,130	3.99																																												
10.	Kuldeep Baldev Singh	Member of Promoter Group	6,080	Negligible																																												
11.	Anita Behl	Member of Promoter Group	1,697	Negligible																																												
Total			64,448,406	50.80																																												
B. Person Acting in Concert																																																
12.	Lt. Gen. Baldev Singh (Retd.)	Person Acting in Concert ¹	134,594	0.11																																												
13.	Mandeep Singh Sodhi	Person Acting in Concert ¹	692,625	0.55																																												
14.	Vinay N. S. Behl	Person Acting in Concert ¹	36,682	0.03																																												
Total			863,901	0.69																																												
¹ Person Acting in Concert as defined under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																																																
3.2. The shareholding of the directors of the Promoter and Promoter Group companies in the Company as on the date of the Board Meeting i.e. September 14, 2016 is given below:																																																
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																																													
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3.	Sartaj Singh Rekhi	5,991,340	4.72																																													
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5.	Sangeeta Bisessur	-	-																																													
6.	Zakir Niamut	-	-																																													
Directors of GMU Infosoft Private Limited																																																
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3.3. The persons mentioned in sub clause 3.1 and 3.2 have not purchased or sold any shares of the Company during a period of six months preceding the date of the Board Meeting i.e. September 14, 2016, except for the following:																																																
3.3.1. Lt. Gen. Baldev Singh (Retd.), Person Acting in Concert and Director of R Systems International Limited.																																																
Name							Aggregate number of equity shares sold							Nature of Transaction							Maximum Price Per Equity Share (Rs.)							Date of Maximum Price							Minimum Price Per Equity Share (Rs.)							Date of Minimum Price						
Lt. Gen. Baldev Singh (Retd.) (Person Acting in Concert)							5,000							Sale in open Market through Stock Exchanges							55.50							June 14, 2016							55.70							June 14, 2016						
3.4. In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have the option to participate in the Buyback. In this regard, members of the Promoter and Promoter Group and Person Acting in Concert have expressed their intention while their letters dated September 14, 2016 to participate in the Buyback and offer up to an 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 Person Acting in Concert in the Buyback:							1 ¹ Purchased from open Market							2 ² Inter-se Transfer between Promoter & Promoter Group																																		
Sr. No.	Name of Promoter and Promoter Group entity and Person acting in concert			Maximum Number of Equity Shares proposed to be tendered																																												
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																																												

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