



भारतीय प्रतिभूति
और विनियम बोर्ड
**Securities and Exchange
Board of India**

CHIEF GENERAL MANAGER
CORPORATION FINANCE DEPARTMENT
DIVISION OF CORPORATE RESTRUCTURING

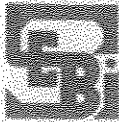
CFD/DCR/IG/CB/15173 /12
July 10, 2012

R SYSTEMS INTERNATIONAL LIMITED,
C-40, Sector-59
NOIDA - 201307

Dear Sir,

Sub: Request for "Interpretative Letter" under the SEBI (Informal Guidance) Scheme, 2003 (Scheme) by M/s. R Systems international Limited in the matter of M/s. R Systems international Limited (Target Company) under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations, 2011).

1. This has reference to your letter dated February 10, 2012 on the captioned subject.
2. You have, *inter alia*, represented as follows-
 - (i) The shares of M/s. R Systems international Limited ("Company") is listed on the National Stock Exchange and the Bombay Stock Exchange.
 - (ii) As of December 31, 2011, its promoters i.e. Mr Satinder Singh Rekhi, Mrs Harpreet Rekhi, RightMatch Holdings Ltd & Harpreet Rekhi Family Trust along with the promoter group were holding 45.57% of the expanded equity capital of the target company.
 - (iii) A shareholder of the target company, Mr Bhavook Triparthi ("Acquirer") made a public announcement (PA) for an open offer for acquisition of 33,45,242 equity shares of the target company on December 15, 2011. As on that date, the Acquirer had been holding 23.82% of the equity share capital in the company.
 - (iv) The Acquirer had further acquired 9, 24,142 (7.18%) shares of the company on December 15, 2011, after the commencement of the offer period.
 - (v) The Acquirer, in the detailed public statement (DPS) dated December 22, 2011 had stated that as on the date of DPS, he held 31% of the equity share capital in the company.
3. In view of the above, you have sought interpretive guidance from SEBI on the following queries :-
 - (a) Confirmation of the understanding that Regulation 20(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred as "Takeover Regulations, 2011") that the competing acquirer would only be required



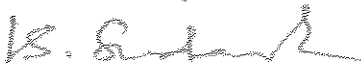
अनुवर्ती:
Continuation :

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to make a competing offer for such number of shares which would be the difference between (a) the holding of the acquirer who made the first public announcement, including the number of shares proposed to be acquired by him under the offer and any underlying agreement for the sale of shares of the target company pursuant to which the open offer is made; and (b) the holding of the competing acquirer and the persons acting in concert with such competing acquirer.

- (b) Confirmation of the understanding that the size of the competing offer cannot be for at least 26%.
4. We have considered the submission made by you in your letter under reference and without necessarily agreeing with your analysis; our views on the issues are as under:
- (a) Regulation 20(2) of the Takeover Regulations, 2011 provides that in the event of a competing offer under regulation 20(1), the same shall be for such number of shares which, when taken together with shares held by such competing acquirer along with the persons acting in concert with him, shall be at least equal to the holding of the original acquirer including the number of shares proposed to be acquired by such acquirer under the offer and any underlying agreement for sale of shares of the target company pursuant to which such open offer is made.
- (b) Regulation 20(10) states that except for the variations made under regulation 20, all the provisions of the Takeover Regulations, 2011 shall apply to every competing offer.
- (c) Regulation 20(2) operates as a variation in respect of determination of minimum offer size requirement for a competing bid. Thus, determination of minimum offer size for a competing offer would have to be in accordance with Regulation 20(2) read with 20(10).
5. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.
6. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,


V S Sundaresan