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Securities Exchange Act of 1934
Rules 14e-1(a), 14e-1(b) and 14e-1(c)

April 11, 2023

Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
United States of America

Attn: Ted Yu, Chief, Office of Mergers and Acquisitions
Christina Chalk, Senior Special Counsel, Office of Mergers and Acquisitions

Re: Composite Offer for Shares of R Systems International Limited

Ladies and Gentlemen:

We are writing on behalf of BCP Asia II Topco II Pte. Ltd. (the “**Purchaser**”), a private company limited by shares organized under the laws of Singapore, along with the Purchaser’s indirect parent company, Blackstone Capital Partners Asia II L.P., an exempted limited partnership organized under the laws of the Cayman Islands, to request exemptive relief from the staff of the Division of Corporation Finance (the “**Staff**”) of the Securities and Exchange Commission (the “**Commission**”) and to confirm that the Staff will not recommend that the Commission take enforcement action in respect of certain rules under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), by reason of a mandatory cash tender offer, referred

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RESIDENT PARTNERS

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to as an open offer under Indian law¹, by the Purchaser to purchase equity shares of R Systems International Limited, a public limited company organized under the laws of India (“**R Systems**”). The Purchaser is proposing to delist the equity shares of R Systems from the Indian Stock Exchanges (as defined below) where the equity shares of R Systems are currently listed and traded as part of this offer (the open offer combined with the proposed delisting are referred to as the “**Offer**”). The exemptive relief requested will permit (i) the Offer to remain open for a fixed period of ten Working Days² in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the “**Takeover Regulations**”) read with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (“**Delisting Regulations**”), which conflict with Rule 14e-1(a), and (ii) the Purchaser to reduce the offer price in accordance with the process prescribed by Indian law and practice in the event the Delisting Threshold has not been satisfied without extending the fixed ten Working Day tendering period described in clause (i), which conflicts with Rule 14e-1(b), in each case, as discussed below. The no-action relief requested will permit (i) payments to tendering shareholders in the Offer to be made by the Purchaser, or the return of Shares tendered pursuant to the Offer in the event that the Offer is terminated or withdrawn, within ten Working Days in compliance with the Takeover Regulations read with the Delisting Regulations, which conflict with Rule 14e-1(c), and (ii) payments to shareholders exercising their Exit Put Right (as defined below) to be made by the Purchaser within 20 Working Days after a shareholder validly exercises such right, which conflict with Rule 14e-1(c), in each case, as discussed below.

Under Regulation 3(1) and Regulation 4, read with Regulation 7(1), of the Takeover Regulations, a mandatory tender offer for at least 26% of the Voting Share Capital³ of a listed company in India (the “**Mandatory Offer Size**”) needs to be made by a person upon such person agreeing to acquire 25% or more of the outstanding shares of such listed company or control over such listed company. On November 16, 2022, the Purchaser entered into the Original Purchase Agreement (as defined below) with certain persons⁴ (collectively, the “**Sellers**”) pursuant to which the Purchaser has agreed to purchase, and the Sellers have agreed to sell, up to 61,129,969 equity shares, with a face value of Rs. 1 each (the “**Shares**”), of R Systems, representing up to

¹ The statements in this letter as to matters of Indian law have been made on the basis of advice provided by Cyril Amarchand Mangaldas, an Indian law firm.

² Any reference herein to “**Working Day**” means any day that the Securities and Exchange Board of India (“**SEBI**”) is open for business, which is Monday through Friday except for designated Indian public holidays. Any reference to “**business day**” has the meaning set forth in Rule 14d-1(g)(3) of the Exchange Act.

³ “**Voting Share Capital**” means the total voting equity share capital of a specified company on a fully diluted basis expected as of the tenth Working Day (as defined below) from the closure of the Tendering Period (as defined below) for a specified open offer.

⁴ (i) Dr. Satinder Singh Rekhi; (ii) Harpreet Rekhi; (iii) The Satinder and Harpreet Rekhi Family Trust; (iv) Sartaj Singh Rekhi; (v) Ramneet Singh Rekhi; (vi) Jagmohan Singh Walia; (vii) Anita Behl; (viii) Kuldeep Baldev Singh; and (ix) Amrita Rekhi.

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approximately 51.67% of R Systems' Share Capital (as defined below). The closing under the Purchase Agreement is subject to certain closing conditions, including receipt of the Required Approvals (as defined below) and the completion of the Offer, as further described in Part III of this letter. Upon the execution of the Original Purchase Agreement, the Purchaser became obligated to make the mandatory open offer under the Takeover Regulations to the public shareholders of R Systems (other than the Sellers). The Purchaser is proposing to delist the equity shares of R Systems from the Indian Stock Exchanges where the Shares are currently listed and traded as part of this Offer in accordance with Regulation 5A of the Takeover Regulations read with applicable provisions of the Delisting Regulations. As a result, in accordance with the Purchase Agreement, the Takeover Regulations and the Delisting Regulations, the Purchaser will make an Offer to the shareholders of R Systems (other than the Sellers) to purchase up to 57,173,476 additional Shares, representing 48.33% of the Voting Share Capital of R Systems. If the delisting offer fails (as discussed below), the Purchaser must proceed with the open offer, which it would do for the Mandatory Offer Size (*i.e.*, 26.00% of the Voting Share Capital of R Systems).

I. Background Concerning R Systems

R Systems is a provider of digital information technology services, specializing in product engineering, and serves customers in technology, media, telecom, and financial services sectors globally.

R Systems' Shares are listed and traded in India on the National Stock Exchange of India Limited (the "NSE") and the BSE Limited (the "BSE" and, together with the NSE, the "Indian Stock Exchanges"). R Systems is a "foreign private issuer" as defined in Rule 3b-4(c) under the Exchange Act. R Systems does not have a class of securities registered under Section 12 of the Exchange Act.

II. U.S. Ownership of R Systems

The Purchaser has calculated the level of U.S. ownership of R Systems in accordance with Instruction 2 of Rule 14d-1 under the Exchange Act ("**Instruction 2**").⁵ To ascertain the holders of Shares resident in the U.S. in accordance with Instruction 2 (and as provided in Rule 12g3-2(a) and Rule 12g5-1 under the Exchange Act), R Systems has made inquiries (as explained below) of the transfer agent and depositories to "look through" the shareholding of custodians, brokers and other nominees located in the U.S. and India to ascertain the amount of Shares held by beneficial holders of Shares resident in the U.S. ("**U.S. Holders**").

⁵ According to Instruction 2, U.S. ownership must generally be calculated as of a date no more than 60 days before and 30 days after the public announcement of the tender offer.

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Prior to making investments in India, every foreign portfolio investor (“**FP Investor**”)⁶ is required to register itself with SEBI and obtain a SEBI registration number. The application form prescribed by SEBI for registration of FP Investors requires them to specify their country of residence, incorporation, establishment or formation. Further, depositories and custodians in India appointed by FP Investors would also record the SEBI registration numbers for the foregoing in their systems. Under Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), R Systems is required to submit a breakdown of its shareholders by category⁷, including the percentage of shares held by FP Investors, to the Indian Stock Exchanges on a quarterly basis, within 21 days from the end of each quarter or within ten days of any capital restructuring of the listed entity resulting in a change exceeding 2% of the total paid-up share capital. The information relating to the breakdown of R Systems’ shareholders by category is publicly disclosed on the websites of the Indian Stock Exchanges and is compiled by R Systems’ registrar and transfer agent on the basis of beneficial shareholding positions provided by the depositories.

According to R Systems’ shareholders lists dated as of November 11, 2022 (the “**Shareholders Lists**”), R Systems had 118,303,445 Shares outstanding (the “**Share Capital**”), including Shares held by the Sellers.

The Sellers own an aggregate of 61,129,969 Shares (or approximately 51.67% of the Share Capital). Certain Sellers are or may be resident in the U.S. (“**U.S. Sellers**”) and, thus, each is or may be deemed a “security holder resident in the United States” within the meaning of Instruction 2. The U.S. Sellers own an aggregate of 59,118,147 Shares (or approximately 49.97% of the Share Capital).⁸

⁶ “**Foreign portfolio investors**” or “**FP Investors**” are institutional investors registered with SEBI that are permitted to invest in specified securities in India under a portfolio investment route as opposed to a foreign direct investment route. Foreign direct investment in an Indian company generally involves a long-term investment whereby the investor typically participates in the affairs of the company to some extent. Conversely, portfolio investments are more temporary investments that are not intended to result in an investor acquiring control, or otherwise participating in the affairs, of an Indian company. FP Investors may or may not be U.S. Holders (as defined herein) and the distinction between the types of institutional investors is not relevant in determining whether they are U.S. Holders for the beneficial ownership analysis. FP Investors are not brokers, dealers, banks or nominees holding shares on behalf of beneficial owners.

⁷ SEBI prescribes certain specific categories of institutional and non-institutional holders for the breakdown of listed company shareholders.

⁸ Of the 59,118,147 Shares, 40,441,799 Shares (or approximately 34.18% of the Share Capital) are owned by U.S. Sellers who are resident in the U.S. and 18,676,348 Shares (or approximately 15.79% of the Share Capital) are owned by U.S. Sellers who hold U.S. passports but may not be currently resident in the U.S.

A review of the individual holders listed on the Shareholders Lists reveals a total of 1,505,648 Shares held by individuals (excluding the Sellers) with U.S. addresses (amounting to approximately 1.27% of the Share Capital), and R Systems has assumed such holders to be U.S. Holders within the meaning of Instruction 2. In addition, the Shareholders Lists disclose a number of foreign institutional investors (*i.e.*, FP Investors) that, while listing the Indian address of their respective custodians, might represent beneficial ownership of such Shares by a U.S. Holder. The transfer agent accesses and collates the Shareholders Lists from the database maintained by the depositories, and the transfer agent has provided the details of the beneficial shareholders to R Systems based on the information available with the depositories, including the number of Shares held by beneficial shareholders resident in India, their identities and the number of Shares held by each of the beneficial shareholders who are designated as FP Investors. Accordingly, an ownership analysis of the institutional holders of Shares to determine the number of Shares owned by U.S. Holders as of November 11, 2022 has been conducted and, based on information from the Shareholders Lists and from the registration information of FP Investors available on the website of SEBI and the depositories, it was estimated that an additional 291,649 Shares (or 0.25% of the Share Capital) were held by U.S. Holders.

Aggregating the shareholding percentages of (i) U.S. individual and institutional holders (based on the ownership analysis and on the assumption regarding ownership as described above) and (ii) the U.S. Sellers, the Purchaser estimates that the ownership of Shares by U.S. Holders determined under Instruction 2, as of November 11, 2022, was an aggregate of 60,915,444 Shares (or 51.49% of the Share Capital). Accordingly, R Systems is not eligible for the “Tier II” exemption under Rule 14d-1(d). We also note that the U.S. Sellers hold approximately 49.97% of the Share Capital, which accounts for approximately 97.05% of the total ownership of Shares by U.S. Holders. As the Sellers are not permitted to participate in the Offer, only the 1,797,297 Shares (or 1.52% of the Share Capital) held by the other U.S. Holders are eligible to be tendered in the Offer. If the shareholding of the Sellers were to be disregarded (since the Sellers are not permitted to participate in the Offer), R Systems would be eligible for the “Tier I” exemption under Rule 14d-1(c) as the ownership of Shares by U.S. Holders would be only 1.52% in such case.

III. Purchase Agreement and Composite Offer

The Purchaser and the Sellers have entered into a definitive agreement dated November 16, 2022 (the “**Original Purchase Agreement**” and, as amended on March 21, 2023, the “**Purchase Agreement**”) in which the Purchaser has agreed to purchase from the Sellers up to 61,129,969 Shares (representing up to approximately 51.67% of the Share Capital). The per Share consideration payable to the Sellers will be Rs. 244 per Share for 28,680,145 Shares and Rs. 227 per Share for 32,449,824 Shares (or approximately USD 2.99 per Share and USD 2.78 per Share, respectively, based on a USD/Rs. exchange rate of Rs. 81.6475⁹). The actual number of shares to be acquired (“**Sale Shares**”) and the aggregate purchase consideration payable to the Sellers will

⁹ Source: Bloomberg (November 17, 2022).

be a function of the number of Shares tendered under the Offer in the manner set out in the Purchase Agreement as follows:

- (a) if at least 45,343,132 Shares (or approximately 38.33% of the Voting Share Capital) is validly tendered by the public shareholders of R Systems and accepted in the Offer (the “**Delisting Threshold**”), then the Sale Shares will comprise 61,129,969 Shares held by the Sellers (representing approximately 51.67% of the Share Capital);
- (b) if the Delisting Threshold is not satisfied, then the Purchaser will determine the number of Shares to be acquired under the Purchase Agreement, subject to a minimum number of Shares required to bring the shareholding of the Sellers in R Systems down to 9.99% or less of the total Voting Share Capital of R Systems;¹⁰ and

The key terms and conditions of the Original Purchase Agreement have been disclosed in the Public Announcement, the Detailed Public Statement and the Draft Letter of Offer and the key terms and conditions of the Purchase Agreement have been disclosed in a corrigendum published in the Indian Newspapers on March 22, 2023 and will be disclosed in the Letter of Offer (each as defined in Section IV). The Original Purchase Agreement was also open for inspection by the public shareholders before the shareholder vote in respect of the delisting proposal and the Purchase Agreement will be available for inspection during the Tendering Period. Accordingly, the public shareholders should be reasonably informed of the possibility that, if the Delisting Threshold is not satisfied, the Purchaser may not become the majority shareholder of R Systems. As discussed below in Section IV(11), the Purchaser must announce any failure of the delisting offer within two Working Days after the expiration of the Tendering Period through the Indian Newspapers (defined below) and through SEBI and the Indian Stock Exchanges (which announcement would be available on their respective websites), following which public shareholders may withdraw any tendered Shares within a five Working Day period. The Purchaser will include in such announcement, among other things: the number and percentage of outstanding Shares, if any, it elects to acquire under the Purchase Agreement; the aggregate percentage of outstanding Shares that the Purchaser will hold after acquiring the tendered Shares and the Shares under the Purchase Agreement; the fact that the offer price is being reduced from the Offer Price to the Base Price as a result of the failure of the delisting offer; the fact that public shareholders have a five Working Day withdraw period; and instructions to public shareholders on how to access related information in the offering materials. The Purchaser is also prepared to publish this

¹⁰ This means that the Purchaser must acquire Sale Shares under the Purchase Agreement representing at least 41.68% of the Share Capital (*i.e.*, 51.67% less 9.99%). Together with up to 26.00% required to be purchased by the Purchaser under the open offer, the Purchaser would hold up to 67.68% of the Share Capital. If Shares tendered in the open offer constitute 26.00% of the Share Capital, and Purchaser elected to acquire all of the Sale Shares (*i.e.*, 51.67% of the Share Capital) under the Purchase Agreement, the Purchaser’s aggregate holding would be 77.67%, resulting in a breach of the minimum public float requirements under the Indian Stock Exchanges of 25%, which would require the Purchaser to conduct an orderly sell down in order to comply with such requirements.

information in the U.S. national print edition of The Wall Street Journal and e-mail the same to U.S. Holders whose email addresses are available in the Shareholders Lists (as defined below). The Purchaser will include in the Letter of Offer disclosure that these announcements will be made (including the mode of announcement, *e.g.*, in The Wall Street Journal and via email to U.S. Holders whose email addresses are available in the Shareholder Lists) in the event the delisting offer fails. Consequently, public shareholders initially expecting the Purchaser to acquire majority control may withdraw their tendered shares during the five Working Day withdraw period upon being informed that the Purchaser in fact would not be acquiring majority control. For clarity, there is no minimum acceptance condition in respect of the Offer or the Purchase Agreement, and neither the Offer nor the Purchase Agreement can be withdrawn if the Delisting Threshold is not satisfied.

The Purchase Agreement cannot be terminated by the Sellers if a higher offer is made by another person. The completion of the purchase of Shares under the Purchase Agreement is conditioned on, among other things, (i) approval from the Competition Commission of India, (ii) approval from the Commission for the Protection of Competition of the Republic of Cyprus, (iii) approval of the Austrian Federal Competition Authority, (iv) approval of the Romanian Commission for the examination of direct foreign investment, (v) the shareholders of R Systems approving the delisting of R Systems through this Offer with requisite majority in accordance with Regulation 11 of the Delisting Regulations¹¹; (vi) the Indian Stock Exchanges granting their in-principle approval for the delisting of R Systems through the Offer and (vii) the grant of the exemptive and no-action relief as sought in this letter (the matters referred to in clause (i) to clause (vii), the “**Required Approvals**”). In addition, under the Takeover Regulations, completion of the purchase of Shares under the Purchase Agreement is conditioned upon the completion of the Offer (unless the Purchaser places 100% of the consideration payable to the public shareholders of R Systems under the Offer (assuming full acceptance) in escrow in cash which the Purchaser has done).¹² As of the date of this letter, the Purchaser’s obligation to close under the Purchase Agreement and to proceed with the Offer are unconditional, as the conditions thereunder have been satisfied or waived.

¹¹ Regulation 11 of the Delisting Regulations requires that the proposal for delisting of the listed company be approved by (i) shareholders of the listed company representing at least 75% of the Shares present and voting at the relevant shareholders meeting and (ii) votes cast by the public shareholders in favor of the proposal being at least two times the votes cast by the public shareholders against the proposal (*i.e.*, at least two-thirds of the votes cast by public shareholders must be in favor of the delisting proposal).

¹² Accordingly, the Purchaser has the right, but not the obligation, under the Takeover Regulations to complete the purchase of the Sale Shares under the Purchase Agreement (and any other Shares in open market or negotiated transactions) before the three Working Day period prior to the commencement of the Tendering Period. The Purchaser will not exercise this right and has agreed with the Sellers that the closing under the Purchase Agreement will take place only after the expiration of the Tendering Period. The Purchaser also will not be acquiring Shares in the open market or negotiated transactions prior to the expiration of the Tendering Period.

If the Delisting Threshold is not satisfied, then the delisting will not be successful and the Purchaser will (A) complete the open offer for up to the Mandatory Offer Size (*i.e.*, 30,758,896 Shares or 26.00% of the Voting Share Capital of R Systems) in accordance with the Takeover Regulations at the Base Price (defined below) and (B) determine the number of Sale Shares to be purchased under the Purchase Agreement, subject to a minimum number of Sale Shares required to bring the shareholding of the Sellers in R Systems down to 9.99% or less of the Voting Share Capital of R Systems. For clarity, the Purchaser would make an open offer for the Mandatory Offer Size and would not acquire more than the Mandatory Offer Size in such open offer such that (x) if the Shares tendered in the Offer represent less than the Mandatory Offer Size (*i.e.*, 26.00% of the Voting Share Capital of R Systems), then the Purchaser will acquire all of the Shares validly tendered at the Base Price, or (y) if the Shares tendered in the Offer represent the Mandatory Offer Size (*i.e.*, 26.00% or more of the Voting Share Capital of R Systems) or more, then the Purchaser shall acquire on a proportionate basis Shares validly tendered by the public shareholders of R Systems representing the Mandatory Offer Size (*i.e.*, 26.00% of the Voting Share Capital of R Systems) at the Base Price.

Under the Delisting Regulations, the delisting of R Systems will be successful if, following the completion of the Offer, the Purchaser's shareholding in R Systems, comprising the equity shares validly tendered / offered by the public shareholders in the Offer and the Shares agreed to be acquired under the Purchase Agreement from the Sellers, represent at least 90% of the Voting Share Capital of R Systems (excluding such Shares as may be determined under Regulation 21 of SEBI Delisting Regulations¹³). If the delisting is successful, then following the completion of the Offer, R Systems will be delisted from the Indian Stock Exchanges in accordance with the Delisting Regulations.

IV. Offer Procedures under Takeover Regulations and Delisting Regulations

Indian counsel has advised that, as a direct consequence of entering into the Original Purchase Agreement, the Purchaser will be required, under the Takeover Regulations, to make a mandatory open offer to the public shareholders of R Systems (other than the Sellers) to acquire Shares for at least the Mandatory Offer Size,¹⁴ at a price per Share to be determined in

¹³ Under Regulation 21 of the Delisting Regulations, the following categories of Shares are excluded from the computation of meeting the 90% threshold: (i) shares held by custodian(s) against which depository receipts have been issued outside India; (ii) shares held by a trust set up for implementing an Employee Benefit scheme under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and (iii) shares held by inactive shareholders such as vanishing companies and struck off companies, shares transferred to the Investor Education and Protection Fund's account and unclaimed shares held in terms of regulation 39(4) read with Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

¹⁴ While Indian law requires the open offer to be made for at least the Mandatory Offer Size, the Purchaser is making an open offer for Shares equal to (and not exceeding) the Mandatory Offer Size, as further described in the penultimate paragraph of Section III.

accordance with the provisions of the Takeover Regulations. The Takeover Regulations (read with the Delisting Regulations) allow the Purchaser to propose to delist R Systems as a part of the same offer.

Further, in accordance with the Takeover Regulations, the Offer has to be made to all public shareholders of R Systems (as of the Identified Date (as defined below)) and has to be made on equal terms. Accordingly, the Offer will be structured as a single offer made worldwide, including in the U.S.

If the Delisting Threshold is satisfied and the delisting offer is successful, all the Shares validly tendered by the public shareholders during the Tendering Period will be acquired by the Purchaser at the Offer Price (defined below). If the Delisting Threshold is satisfied, R Systems will, within five Working Days after the payment to the public shareholders is completed,¹⁵ apply for final approval for delisting from the Indian Stock Exchanges. While the final approval is procedural in nature, the Indian Stock Exchanges have the right to request information and documentation. The amount of time it would take to obtain such approval would be dictated by the extent of such requests and the time required by the Indian Stock Exchanges to review relevant information and documentation. It has typically taken 50 to 60 days for the Indian Stock Exchanges to grant final approval. Under the Delisting Regulations, after R Systems is delisted following final approval from the Indian Stock Exchanges, the Purchaser must provide an exit opportunity, similar to a subsequent offering period in the U.S., to the non-tendering shareholders of R Systems for a period of one year from the date of delisting of R Systems (“**Exit Window Period**”). During the Exit Window Period, the remaining shareholders of R Systems may put their Shares to the Purchaser at the same price as in the Offer and the Purchaser must immediately accept such tendered Shares (“**Exit Put Right**”). Following the delisting, the Purchaser must send a letter of offer to all the remaining public shareholders with the relevant details about the process to be followed for putting their Shares during the Exit Window Period, including the payment schedule therefor. The Purchaser will disseminate this letter of offer as soon as practicable, and in any event within five Working Days, after Indian Stock Exchange approval. The prevalent market practice in India is to bundle and pay for shares tendered during the Exit Window Period once each month¹⁶; however, the Purchaser is willing to ensure payment would be made within 20 Working Days, which is in line with the period prescribed by 14d-1(d)(2)(iv) (subject to relief from the SEC from the prompt payment requirements under 14e-1(c)).

¹⁵ *I.e.*, no later than 15 Working Days after the expiration of the Tendering Period after giving effect to the maximum ten Working Day period within which the Purchaser must pay for the Shares validly tendered in the Offer.

¹⁶ Assuming Shares bundled in a calendar month are paid for within 7 days after the end of that month, a shareholder exercising its Exit Put Right on the first day of a calendar month would receive payment up to 37 days thereafter.

The offer price per Share payable under the Offer is higher than the consideration payable under the Purchase Agreement. Indian counsel has advised that, under the Takeover Regulations, the necessary offer price must be the highest of (i) the highest negotiated price per share of a target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer, (ii) the volume-weighted average price¹⁷ paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with the acquirer, during the fifty-two weeks immediately preceding the date of the public announcement, (iii) the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with the acquirer, during the twenty-six weeks immediately preceding the date of the public announcement, (iv) the volume-weighted average market price¹⁸ of such shares for a period of 60 trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded, (v) where the shares are not frequently traded¹⁹, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies, or (vi) the per share value computed under Regulation 8(5) of the Takeover Regulations, if applicable²⁰. In the present instance, the Shares are frequently traded so the calculation method mentioned in (v) above is not applicable. The calculation methods mentioned in (ii), (iii) and (vi) above are also not applicable. The calculation method mentioned in (i) above results in an offer price equal to Rs. 245 per Share (“**Base Price**”), which is higher than the 60 trading day volume-weighted average market described in (iv) above (as a result of which the calculation method in (iv) above is not applicable) and is therefore the price required to be offered in the open offer. Under the Takeover

¹⁷ The term “volume-weighted average price” is defined in the Takeover Regulations as “the product of the number of equity shares bought and price of each such equity share divided by the total number of equity shares bought.”

¹⁸ The term “volume-weighted average market price” is defined in the Takeover Regulations as, “the product of the number of equity shares traded on a stock exchange and the price of each equity share divided by the total number of equity shares traded on the stock exchange.”

¹⁹ The term “frequently traded shares” is defined in the Takeover Regulations as, “the shares of a target company, in which the traded turnover on any stock exchange during the twelve calendar months preceding the calendar month in which the public announcement is made, is at least ten per cent of the total number of shares of such class of the target company, provided that where the share capital of a particular class of shares of the target company is not identical throughout such period, the weighted average number of total shares of such class of the target company shall represent the total number of shares.”

The term “weighted average number of total shares” is defined in the Takeover Regulations as, “the number of shares at the beginning of a period, adjusted for shares cancelled, bought back or issued during the aforesaid period, multiplied by a time-weighting factor.”

²⁰ Regulation 8(5) of the Takeover Regulations prescribe the method for computing offer price in case of indirect acquisition of control over the Indian listed company. This regulation is not applicable for the current transaction.

Regulations and the Delisting Regulations, when an acquirer proposes to delist the listed company through an offer, the acquirer is required to offer an indicative price which is (x) higher than the Base Price computed above which reflects a premium that the acquirer is willing to pay in the delisting offer and (y) not less than the book value of the company. In the present instance, the Purchaser has offered an indicative delisting price of Rs. 262 (“**Offer Price**”), which is higher than the Base Price and includes a premium of INR 17 over the Base Price. The Offer Price is not less than the book value of R Systems. In the event the delisting of R Systems is not successful, the Purchaser would complete the open offer for Shares equal to the Mandatory Offer Size (or such lesser number of Shares actually tendered in such open offer) at an offer price equal to Rs. 245 (*i.e.*, the Base Price).

All purchases pursuant to the Offer will be paid for in Indian rupees, including to holders of Shares who are resident outside of India. Shareholders (whether holding Shares in physical form or book-entry form) will tender their Shares through their respective stock brokers during the Tendering Period. Physically certificated Shares must be sent to the registrar to the Offer (the “**Registrar**”) in order to be tendered and will be held in trust by the Registrar until such time as the process of acceptance of tenders and the payment of consideration is complete. As of November 11, 2022, three U.S. Holders held physically certificated Shares representing 0.16% of the Share Capital. Holders of Shares must deliver appropriate documentation to the Registrar for it to validly accept the Shares tendered under the Offer. Such information primarily consists of a validly executed and completed form of acceptance, a delivery instruction slip (or, in case of physical shares, the share certificates and share transfer forms (duly executed and stamped)), a copy of the PAN card issued by the Indian income tax authorities, a power of attorney, a corporate authorization (including board resolution/specimen signature), a no objection certificate/tax clearance certificate from Indian income tax authorities and broker contract notes (in case of unregistered owners). FP Investors need to submit a copy of the registration certificate issued by SEBI. In connection with the Offer, the Registrar will examine the submitted documentation and determine the Shares to be accepted subject to proration, if necessary, and return unaccepted Shares.

We are informed by Indian counsel that:

- (1) The Offer commences, for purposes of Indian law, with the formal public announcement of the Offer by the Purchaser in accordance with the Takeover Regulations and the Delisting Regulations. This formal public announcement needs to be made on the same day on which the Purchaser enters into the Purchase Agreement (the “**Public Announcement**”) and proposes to delist the listed company. Accordingly, the Public Announcement was made on November 16, 2022.
- (2) Within five Working Days (five business days and seven calendar days) of the Public Announcement, the Purchaser is required to publish a detailed public statement (“**Detailed Public Statement**”) in all editions of any one

English national daily, any one Hindi national daily, both with wide circulation, and any one regional language daily with wide circulation at the place where the registered office of the target company (in this case, R Systems) is situated and one regional language daily with wide circulation at the place of the stock exchange where the maximum volume of trading in the shares of the target company are recorded during the 60 trading days preceding the date of the Public Announcement. The Detailed Public Statement, *inter alia*, contains details in relation to the Offer including the nature of the proposed acquisition, the details of the Purchaser, the size of the Offer, the price payable for the shares tendered under the Offer and the basis for calculation of the offer price in accordance with the provisions of the Takeover Regulations and the Delisting Regulations. The Detailed Public Statement was published on November 23, 2022 in the following newspapers: Financial Express (all editions), Jansatta (all editions) and Navshakti (Mumbai edition) (the “**Indian Newspapers**”). Since November 16, 2022, the Offer has also been the subject of coverage by various news agencies and newspapers, including Bloomberg, which are accessible in the U.S.

- (3) Within five Working Days (four business days or seven calendar days) from the date of the Detailed Public Statement, the Purchaser is required to submit a draft letter of offer for the Open Offer (the “**Draft Letter of Offer**”) to SEBI for comments by SEBI. The Draft Letter of Offer was submitted to SEBI on November 30, 2022.²¹
- (4) The Public Announcement, the Detailed Public Statement and the Draft Letter of Offer are all uploaded on the website of SEBI and Indian Stock Exchanges for the information and review of the public shareholders.
- (5) The delisting proposed under the Offer will not be achieved if:
 - a. the board of directors of R Systems does not approve the delisting proposed pursuant to the Offer within 21 days after the date of the Public Announcement. The board of directors of R Systems approved the delisting on November 25, 2022, so this condition has been satisfied; or

²¹ It is typical for the SEBI comment letter (referred to in India as an “observation letter”) in respect of a draft letter of offer to require that all comments from SEBI be incorporated into the final letter of offer prior to its distribution to shareholders.

- b. the shareholders of R Systems do not approve delisting proposed pursuant to the Offer with the requisite majority described above within 45 days after the date of the approval by the board of directors of R Systems. The shareholders of R Systems approved the delisting on December 31, 2022, so this condition has been satisfied.
- (6) Within 15 Working Days of the shareholders of R Systems approving the delisting, R Systems is required to file for in-principle approval of the Indian Stock Exchanges for the delisting of R Systems. R Systems filed for such approval on January 13, 2023 and received such approval on February 17, 2023.
- (7) After the issue of final observations on the Draft Letter of Offer by SEBI, the Purchaser is required to incorporate those observations into the final letter of offer (“**Letter of Offer**”) and dispatch the final Letter of Offer to all the public shareholders of R Systems. The final Letter of Offer is required to be dispatched to all the public shareholders whose names appear in the register of members of R Systems as of the Identified Date²², not later than seven Working Days (nine business days or 13 calendar days) from the date of receipt of observations from SEBI on the Draft Letter of Offer. SEBI’s final observations were received on March 31, 2023, and therefore, the final Letter of Offer must be dispatched not later than April 13, 2023.
- (8) Under the Takeover Regulations, the Letter of Offer can be dispatched to the Public Shareholders in electronic and/or physical form. In the case of the Offer, the Letter of Offer will be dispatched to public shareholders of R Systems as of the Identified Date by post and also via e-mail, if shareholders have elected to provide their email addresses to the registrar and transfer agent of R Systems.²³ The Letter of Offer will therefore be dispatched via e-mail to U.S. Holders who have made this election and whose email addresses are available in the Shareholders Lists. For illustrative purposes, an analysis was done which showed that as of November 11, 2022, email addresses are available for all but three U.S. Holders (such three U.S. Holders representing 0.10% of the Share Capital). In addition, we understand that the custodians operating in India would typically use electronic means, such as email, to promptly forward such shareholder

²² “Identified Date” means the date falling on the tenth Working Day prior to the date of the commencement of the opening of the offer to the Shareholders to tender their Shares. The Identified Date serves as a cut-off date for the purposes of determining the shareholders to whom the Letter of Offer shall be sent.

²³ We understand that such election enables R Systems to use these e-mail addresses for communications with such shareholders and that R Systems regularly does so.

materials to beneficial holders of the shares in the U.S. A physical copy of the Letter of Offer will be sent to the remaining public shareholders of R Systems in the U.S. by expedited commercial courier, with delivery expected within four days from the date of dispatch. The Purchaser will open the Tendering Period for the Offer not later than five Working Days (six business days or eight calendar days) from the dispatch of the Letter of Offer. Therefore, between the dispatch of the Letter of Offer and closure of the Tendering Period, a total of at least 15 Working Days (17 business days or 25 calendar days) will lapse.

- (9) On or about the date the Letter of Offer is dispatched to the shareholders, the Purchaser undertakes to publish a legal notice in the U.S. national print edition of *The Wall Street Journal* disclosing the price per Share of the Offer, the maximum number of Shares sought in the Offer, the ten Working Days during which the Offer will be open and that the Letter of Offer has been sent to shareholders and is available on the official website of SEBI.
- (10) In 2011, SEBI shortened the period for which an open offer must be held open pursuant to the Takeover Regulations from 20 days to ten Working Days.²⁴ As a result of the change, Regulation 18(8) of the Takeover Regulations provides that the Offer must remain open for public shareholders to accept and tender for a fixed period of ten Working Days. Such ten Working Day period is referred to as the “**Tendering Period**”. There is no ability under Indian law to extend the Tendering Period (including in connection with any reduction in offer price from the Offer Price to the Base Price if the delisting offer is not successful). The Purchaser’s Indian counsel has considered whether a possible exemption from this requirement in order to be able to extend the period to 20 business days would be forthcoming from SEBI²⁵ and notes that SEBI: (i) does not have the power to grant a procedural exemption in relation to the duration of the tendering period, and (ii) has, in the past, declined applications from

²⁴ The Takeover Regulations were notified on 23 September 2011 and came into force on 23 October 2011, replacing the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

²⁵ SEBI’s powers to grant exemptions under the Takeover Regulations are set out in Regulation 11. According to this Regulation, SEBI may only either (i) grant exemptions from the obligation to make a tender offer (Regulation 11.1)) or (ii) grant relaxation from strict compliance with certain procedural requirements in case the central government of India or an Indian state government has superseded the board of directors of the target company (Regulation 11.2)). Neither (i) nor (ii) is applicable to the Offer. The Takeover Regulations do not grant any further powers to SEBI to grant any procedural exemptions and there is no legal process in place that would require SEBI to grant, reject or react to an application for an exemption not contemplated by the Takeover Regulations.

issuers seeking to extend the period of a tender offer beyond the ten Working Day period prescribed under the Takeover Regulations. Therefore, based on the advice from Indian counsel, the Purchaser does not believe SEBI would grant exemptive relief with respect to the Offer.

- (11) If the delisting offer fails, *i.e.*, the Delisting Threshold is not satisfied, and consequently the offer price is reduced from the Offer Price (Rs. 262/Share) to the Base Price (Rs. 245/Share), as described in the fourth paragraph of this Section IV, the Takeover Regulations and Delisting Regulations permit shareholders to withdraw their tendered Shares during the five Working Day period after public announcement by the Purchaser of the failure of delisting offer. The public announcement must be made within two Working Days after the expiration of the Tendering Period, and would include a reminder that tendering shareholders can withdraw their tendered shares for a period of five Working Days after such announcement. The announcement would be published in the Indian Newspapers and filed with SEBI and the Indian Stock Exchanges, which filings would be available on the websites of SEBI and the Indian Stock Exchanges. The Purchaser would also announce any failure of the delisting offer and the availability of the withdrawal period through publication in the U.S. national print edition of The Wall Street Journal and e-mail the same to U.S. Holders whose email addresses are available in the Shareholders Lists.

Indian counsel has advised that, since the Offer is a statutorily mandated tender offer under Indian law, the Purchaser is prohibited from reducing the price offered (other than the Rs. 17/Share reduction from the Offer Price to the Base Price in the event the delisting offer is not successful) or the number of Shares it will accept below the Mandatory Offer Size. Neither the Takeover Regulations nor the Delisting Regulations contemplate changes to the terms of an open offer during the Tendering Period or, in the circumstances applicable to the Offer, exemptions to permit such changes.

V. Discussion of Exemptive and No-Action Relief Requested

In accordance with the Takeover Regulations and the Delisting Regulations, the Offer has to be made to all public shareholders of R Systems (as of the Identified Date) (except the Sellers) and has to be made on equal terms. Accordingly, all public shareholders of R Systems (which excludes, for the avoidance of doubt, the Sellers), including those resident in the U.S., will be able to tender their Shares in the Offer. As the Purchaser will be unable to exclude U.S. Holders from the Offer or offer different terms to U.S. Holders, the Offer will be subject to the Takeover Regulations, the Delisting Regulations and the Exchange Act. Although, as stated in Part I above, R Systems is not eligible for the “Tier I” exemption under Rule 14d-1(c) or “Tier II” exemption under Rule 14d-1(d), only 1.52% of the Share Capital is held by U.S. Holders eligible to participate in the Offer. We believe that it would be appropriate to exclude the 49.97% of the Share Capital

that is beneficially owned by the U.S. Sellers, who are *not* eligible to participate in the Offer, when calculating the level of U.S. ownership of the Shares for the purpose of assessing whether the level of U.S. ownership is sufficiently low to permit the Commission to grant exemptive relief from the U.S. tender offer rules consistent with the relief available under the “Tier I” and “Tier II” exemptions. Due to differences between relevant legal and regulatory requirements and customary tender offer practices in India and the U.S., we request on behalf of the Purchaser, exemptive relief and confirmation that the Staff will not recommend that the Commission take enforcement action with respect to certain of the Commission’s regulations as described more fully below. Except for the Rules from which exemptive and no-action relief is being sought, the Offer will comply with the applicable Rules under the Exchange Act.

A. *Rules 14e-1(a) — Minimum Period for a Tender Offer*²⁶

Rule 14e-1(a) under the Exchange Act provides that, “. . . no person who makes a tender offer shall . . . [h]old such tender offer open for less than twenty business days from the date such tender offer is first published or sent to security holders” The Offer must remain open for acceptance for a fixed period of ten Working Days, which cannot be reduced or increased. Accordingly, the Purchaser would be prohibited under Indian law from holding the Offer open for more than ten Working Days. Further, U.S. Holders of Shares cannot be excluded from the Offer or be offered different terms from those offered to non-U.S. holders. Absent exemptive relief, the Purchaser will face the choice of either violating the requirements of the Takeover Regulations or violating the requirements of Rule 14e-1(a).

We respectfully submit that the purpose of requiring a minimum period of 20 business days under Rule 14e-1(a) is not implicated in this situation but rather is adequately addressed by the Takeover Regulations’ requirements. Specifically, in accordance with the Takeover Regulations, the Purchaser must make the Public Announcement, publish the Detailed Public Statement and submit a Draft Letter of Offer to SEBI for review and comment, and incorporate all the observations of SEBI into the final Letter of Offer before the Letter of Offer can be dispatched to the public shareholders and the ten Working Day period of the Offer can commence. In view of the time needed for SEBI to perform its review, the time between the date on which the purchase price (*i.e.*, the key term of the Offer since it is an all-cash open public offer) and other material terms of the Offer have been made publicly available (published in newspapers and uploaded on the website of SEBI and the Indian Stock Exchanges) and the time that the Offer expires will exceed 20 business days by a significant amount, thereby providing public shareholders with more than 20 business days to consider their response to the Offer. We currently

²⁶ The Staff has previously granted exemptive relief from Rule 14e-1(a) under the Exchange Act in a tender offer for an Indian company. See *Satyam Computer Services Limited* letter (available April 28, 2009), *Patni Computer Services Limited* letter (available February 9, 2011), *Marble II Pte. Ltd.* letter (available June 28, 2016), *Hulst B.V.* letter (available June 13, 2019), *KPIT Technologies Limited* letter (available June 27, 2019), *HealthCare Global Enterprises Limited* letter (available July 16, 2020), *Vedanta Limited* letter (regarding a voluntary tender offer) (available March 14, 2021) and *Mphasis Limited* (available May 28, 2021).

estimate that the time between the date on which the purchase price and other material terms of the Offer have been made publicly available (November 16, 2022) and the expiration of the Tendering Period of the Offer will be at least 114 Working Days (118 business days or 173 calendar days). We believe that this period for review and public shareholder decision-making is consistent with the objectives of Rule 14e-1(a).

For the foregoing reasons, we respectfully request the Staff to grant exemptive relief with respect to Rule 14e-1(a) to permit the Open Offer to be held open for a period of ten Working Days in accordance with applicable Indian laws and regulations.

B. *Rule 14e-1(c) — Payment and Return in Compliance with Indian Law and Regulation and in Accordance with Indian Practice*

1. Initial Offer / Tendering Period

Rule 14e-1(c) under the Exchange Act states that, “. . . no person who makes a tender offer shall . . . [f]ail to pay the consideration offered or return the securities deposited promptly after the termination or withdrawal of a tender offer.” The Staff has interpreted this rule to require payment within the normal settlement period applicable to stock exchange transactions in the U.S., which period has been shortened to two trading days.

We understand from Indian counsel that Regulation 18(10) under the Takeover Regulations requires that payment of consideration for accepted Shares to be made by the Purchaser within ten Working Days of the expiration of the Tendering Period. Within this timeframe, the forms of acceptance along with all the accompanying documents will need to be reviewed and verified and the signatures of the authorized signatories will need to be tallied to ascertain whether the Shares (including physical shares) have been validly tendered. Proration calculations may also be required if the delisting is unsuccessful and the tendered Shares exceed the Mandatory Offer Size.²⁷ In addition, the tax residency status of the non-resident public shareholders will need to be ascertained on the basis of the documents provided so that appropriate withholding taxes may be applied to the consideration being paid to such public shareholders. Finally, payments need to be made to public shareholders using means of payment including electronic transfers, cheques and demand drafts. We understand that these procedures will likely cause a delay in the payment of the offer consideration beyond the two trading days following expiration of the Offer. The Purchaser intends to make payment to each public shareholder as

²⁷ As noted above, under the Takeover Regulations, if the delisting offer fails because the Delisting Threshold is not satisfied, the Purchaser must nonetheless proceed with the open offer in respect of the Mandatory Offer Size (*i.e.*, 26.00% of the Voting Share Capital). In such case, the number of Shares purchased from each tendering shareholder would be reduced based on the same proration factor in the same manner as in the United States. For example, if 35,000,000 Shares are validly tendered, then the proration factor would be 87.88% (30,758,896 Shares representing the Mandatory Offer Size divided by 35,000,000 Shares), and each tendering shareholder would be cut back based on the same proration factor.

promptly as practicable and as soon as the procedures described above are completed for such public shareholders, and in any case within the mandatory period of ten Working Days after the closure of the Tendering Period, as required under the Takeover Regulations. The Purchaser believes that such payment will be made within (i) five to six Working Days (five to six business days or seven to eight calendar days), if the Delisting Threshold is satisfied, or (ii) eight to ten Working Days (eight to 10 business days or 13 to 15 calendar days), if the Delisting Threshold is not satisfied, because the Purchaser would be required to provide public shareholders with a five Working Day withdrawal period after the closure of the Tendering Period before payment can be processed.

Further, in the unlikely event the Offer is terminated or withdrawn, the relevant Shares tendered under the Offer will be returned to the relevant public shareholders. Given that the Offer is mandatory in nature and, prior to the commencement of the Tendering Period, (a) all Required Approvals (as applicable) will have been obtained and (b) all the conditions precedent set forth in the Purchase Agreement will have been satisfied (or waived, if applicable), the Offer can (absent failure of Purchaser to pay the Offer consideration) thereafter be terminated or withdrawn only in the event a new law comes into effect prior to the closure of the Tendering Period which prohibits the consummation of the Offer or a statutory approval becomes applicable prior to the closure of the Tendering Period and such approval is not obtained. In this event, the Purchaser must return the tendered Shares to the relevant shareholders within ten Working Days after such termination or withdrawal. The Purchaser believes that such return can be made within five to six Working Days.²⁸

2. Exit Put Right

Rule 14e-1(c) permits a bidder offering a subsequent offering period to pay for securities during the subsequent offering period in accordance with Rule 14d-11. Rule 14d-11(e) requires that shares tendered during the subsequent offering period be immediately accepted and promptly paid for. For offers eligible for “Tier II” exemptions, Rule 14d-1(d)(2)(iv) permits bidders engaged in a subsequent offering period, where payment may not be made on a more expedited basis under home jurisdiction law or practice, to “bundle” and pay for securities tendered in subsequent offering period within 20 business days of the date of tender. In the current transaction, if the Exit Put Right were characterized as a subsequent offering period, the exception in Rule 14d-1(d)(2)(iv) would not apply because R Systems is not eligible for “Tier II” relief (or “Tier I” relief for that matter) solely due to the inclusion of the U.S. Sellers in the calculation of

²⁸ The Staff has previously not recommended that the Commission take enforcement action in respect of the prompt payment requirements of Rule 14e-1(c) under the Exchange Act in a tender offer for an Indian company. See the *Panatone Finvest Ltd.* letter (available May 6, 2002), the *Patni Computer Services Limited* letter (available February 9, 2011), the *Marble II Pte. Ltd.* letter (available June 28, 2016) and the *Mphasis Limited* letter (available May 28, 2021).

U.S. ownership of the Shares (notwithstanding that the U.S. Sellers are not eligible to participate in the Offer). As discussed above, public shareholders who did not tender into the Offer may exercise their Exit Put Right and put their Shares to the Purchaser during the Exit Window Period for the same consideration as in the Offer. While Indian practice is to pay for shares during an Exit Window Period in monthly cycles, the Purchaser is willing to ensure payment would be made within 20 Working Days after a shareholder validly exercises its Exit Put Right, in line with the period prescribed by Rule 14d-1(d)(2)(iv).²⁹

For the foregoing reasons, we respectfully request the Staff to grant no-action relief with respect to Rule 14e-1(c) to (1) permit the payment of the offer consideration for the Shares tendered under the Offer, or the return of the Shares tendered under the Offer under the circumstances described in the preceding paragraph, to be made in accordance with Indian law within ten Working Days, and in any case as promptly as practicable, from closure of the Tendering Period, and (2) permit the payment of the consideration for Shares subject to the Exit Put Right within 20 Working Days after a shareholder validly exercises such right.

C. *Rules 14e-1(b)— Extension of Tendering Period due to Change in Offer Price*

Rule 14e-1(b) under the Exchange Act states in relevant part that no person who makes a tender offer shall increase or decrease the percentage of the class of securities being sought or the consideration offered unless such tender offer remains open for at least ten business days from the date that notice of such increase or decrease is first published or sent or given to security holders. Rule 14d-4(d)(2)(ii) requires that, in the context of a registered offer, in the event an offeror changes the offer price or makes similarly significant change to the terms of the offer, the offeror must disseminate the material change to the target shareholders, and the offer must remain open for ten business days from the date of such dissemination. The Staff has expressed the position that such extension period applies as a general guideline applicable to all tender offers, including those that are subject only to Section 14(e) of the Exchange Act and Regulation 14E thereunder.³⁰

²⁹ The Staff has previously not recommended that the Commission take enforcement action where foreign law and practice differed from the prompt payment requirements in respect of subsequent offering periods. See the *Banco Santandar, S.A.* letter (available September 18, 2014) (granting relief for bundling securities tendered during successive periods of 13 business days during the possible three-month subsequent offering period, with payment to occur as promptly as practicable and no later than the tenth business day following the end of each such bundling period) and the *Coca-Cola Hellenic Bottling Company S.A. & Coca-Cola HBC AG* letter (available March 14, 2013) (granting relief for payment for securities tendered during the subsequent offering period to take place one time, eight business days following the expiration of the three-month subsequent offering period).

³⁰ Release Nos. 33-7760, 34-42055.

As described above, if the delisting offer is not successful because the Delisting Threshold is not satisfied, the Purchaser must complete the open offer. The Purchaser would acquire such number of Shares equal to the Mandatory Offer Size (*i.e.*, 26.00% of the Voting Share Capital of R Systems), or such lesser number of Shares actually tendered in such open offer, in the open offer and the price applicable to the open offer would be reduced by Rs. 17/Share (or approximately USD 0.16/Share)³¹ from the Offer Price (Rs. 262/Share) to the Base Price (Rs. 245/Share). The Takeover Regulations require the Offer to remain open for acceptance for a fixed period of ten Working Days, which cannot be reduced or increased (including in connection with any reduction in offer price from the delisting price to the minimum base price as a result of the failure of a proposed delisting). Further, U.S. Holders of Shares cannot be excluded from the Offer or be offered different terms from those offered to non-U.S. holders. Therefore, absent exemptive relief, the Purchaser would violate Rule 14e-1(b) in these circumstances because the Purchaser would have no ability to extend the Offer beyond the fixed ten Working Day period prescribed by Indian law.

We respectfully submit that an extension of the Tendering Period is not necessary in the context of the offer price being reduced from the Offer Price (Rs. 262/Share) to the Base Price (Rs. 245/Share) in the event the delisting offer is not successful given the protections afforded to public shareholders in the Takeover Regulations and Delisting Regulations. First, this scenario has been and will be prominently disclosed in the offering materials pursuant to the Takeover Regulations and Delisting Regulations. Second, whether the Offer Price or the Base Price applies depends solely on whether the public shareholders tender sufficient Shares to satisfy the Delisting Threshold. It is not subject to any election or other action on the part of the Purchaser. Third, the Purchaser is required to publicly announce³², within two Working Days from the expiration of Tendering Period, whether or not the Delisting Threshold is satisfied. For a period of five Working Days (five business days or seven calendar days) after such public announcement, public shareholders have the right to withdraw their tendered Shares. We understand this pricing structure for the Offer is consistent with Indian law and practice for delisting offers. This structure means that public shareholders should be tendering their Shares on the basis of the Offer Price with the understanding that, if the delisting offer is not successful and the lower Base Price is offered to the public shareholders, they would have a five Working Day window to withdraw their tendered Shares to the extent they believe the Base Price is inadequate.

³¹ Source: Bloomberg (November 17, 2022).

³² See Section III.C.

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The Purchaser also notes that the aggregate premium applicable to that portion of the Shares held by the public shareholders (*i.e.*, excluding the U.S. Sellers) who are U.S. persons is only approximately INR 30,569,610.2 (or approximately USD 374,410).³³

Based on the foregoing, we respectfully request the Staff grant exemptive relief with respect to Rule 14e-1(b) to permit the automatic application of the Base Price to the public shareholders in accordance with Indian law and practice in the event the delisting offer is unsuccessful, without extending the acceptance period beyond the fixed ten Working Day period prescribed by Indian law.

Conclusion

For the reasons discussed above, we respectfully request the Staff to grant exemptive relief to the Purchaser with respect to (a) the 20-business day minimum tender offer period requirement set forth in Rule 14e-1(a) and (b) the requirement to extend the tendering period due to material changes in the offer terms set forth in Rule 14e-1(b). We further request that the Staff confirm that it will not recommend any enforcement action to the Commission relating to the prompt payment and return requirements set forth in Rule 14e-1(c) in respect of Shares tendered in the Offer and Shares put to the Purchaser during the Exit Window Period, in each case, if the Purchaser conducts the Offer as described in this letter.

The exemptive relief requested and the confirmation that the Staff will not recommend that the Commission take enforcement action will also enhance comity between SEBI and the SEC. Accommodation by the Staff through exemptive relief and the confirmation that the Staff will not recommend that the Commission take enforcement action will enable the Purchaser to complete the Offer as contemplated, while at the same time enable the U.S. Holders of Shares to have a liquidity opportunity at the same price and on otherwise the same terms as provided to non-U.S. holders.

* * * * *

³³ Representing the per share premium of Rs. 17/Share, multiplied by 1.52% of the 118,303,445 Shares outstanding.

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If you have any questions or require any additional information, please do not hesitate to contact the undersigned at +852 2514-7685 of Simpson Thacher & Bartlett.

Thank you for your consideration of these matters.

Very truly yours,

A handwritten signature in black ink, consisting of a horizontal line with a stylized, scribbled mark in the center.

Ian C. Ho

cc: Shishir Vayttaden, Cyril Amarchand Mangaldas



cyril amarchand mangaldas
ahead of the curve

Ref No: 2305

Date: April 11, 2023

Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
United States of America

Attn: Ted Yu, Chief, Office of Mergers and Acquisitions
Christina Chalk, Senior Special Counsel, Office of Mergers and Acquisitions

Re: Composite Offer for Shares of R Systems International Limited

Ladies and Gentlemen:

We are acting as the Indian legal advisers to BCP Asia II Topco II Pte. Ltd. (the “**Purchaser**”), a private company limited by shares organized under the laws of Singapore, along with the Purchaser’s indirect parent company, Blackstone Capital Partners Asia II L.P., an exempted limited partnership organized under the laws of the Cayman Islands, in connection with a mandatory tender offer, referred to as an open offer under the Indian law, to purchase the shares of R Systems International Limited (“**R Systems**”), a public limited company organized under the laws of India. The Purchaser is proposing to delist the equity shares of R Systems from the Indian stock exchanges where the equity shares of R Systems are currently listed and traded as part of this offer (the open offer combined with the proposed delisting are referred to as the “**Offer**”).

In such capacity, we have been requested to review the letter, dated April 11, 2023, prepared by Simpson Thacher & Bartlett on behalf of the Purchaser requesting certain relief in connection with the Offer (the “**Letter**”) and to provide you this letter to support the description of Indian law, regulation and practice, and in particular to support the statements relating to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, each as described in the Letter (the “**Support Letter**”).

For the purposes of this Support Letter, we have only examined an electronic copy of the Letter and no documents have been reviewed by us in connection with this Support Letter other than the Letter. Accordingly, we shall limit the views expressed in this Support Letter to the Letter and certain Indian legal matters described therein.

Based on the foregoing and subject to the qualifications set out below, we confirm that, in our opinion, the descriptions of Indian law and regulations in the Letter are fair, accurate and, as regards the aspects of the Offer described in the Letter for which relief has been requested therein, complete in all material respects and, in our view, the descriptions of Indian practice in the Letter are fair, accurate and, as regards the aspects of the Offer described in the Letter for which relief has been requested therein, complete in all material respects.

This Support Letter is confined to and given on the basis of the laws and regulations of India in force on the date hereof. Such laws and regulations are subject to interpretation by the competent authorities,

Cyril Amarchand Mangaldas
Advocates & Solicitors

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including the Securities and Exchange Board of India. Such interpretation is subject to change without advance notice and the competent authorities may disregard past precedents.

Furthermore, many provisions in the law are principle based and application thereof implies discretion. In the absence of explicit statutory law, we base our opinion and view solely on our independent professional judgment. This Support Letter is further confined to the matters stated herein and the Letter, and is not to be read as extending, by implication or otherwise, to any other matter.

We are writing you this Support Letter as of the date hereof and we assume no obligation to advise you of any changes in fact or in law that are made or brought to our attention hereafter.

The lawyers of our firm are members of the Bar Council of Maharashtra & Goa, Bar Council of Delhi or a bar council of any other state in India and do not hold themselves out to be experts in any laws other than the laws of India. Accordingly, we are expressing herein views as to Indian law only and we express no view with respect to the applicability or the effect of the laws of any other jurisdiction to or on or in connection with the matters covered herein.

Sincerely yours,

Cyril Amarchand Mangaldas
Advocates & Solicitors
Peninsula Chambers, Peninsula Corporate Park,
GK Marg, Lower Parel,
Mumbai – 400 013, India