R SYSTEMS
Caring - Innovating - Transforming

R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P., India - 201 307

Phones: +91-120-4303500
Fax : +91-120-2587123
Email: rsystems.india@rsystems.com
www.rsystems.com
Regd.Off.: B-104A, Greater Kailash-I, New Delhi - 110 048

KIND ATTN : MR. HARI K / MR. ANEESH KUMAR

REF: SECT/10/2014/41

OCTOBER 29, 2014

To,
The Managing Director,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra - (E), Mumbai - 400 051

Dear Sir,

SUB: CORPORATE DISCLOSURE UNDER LISTING AGREEMENT FOR BUSINESS APPROVED AT THE BOARD MEETING

This is with reference to the Listing Agreement entered into by R Systems International Limited. We wish to inform you as required in terms of Clause 41, 20 and other applicable provisions of the Listing Agreement that the Board of Directors of R Systems International Limited at its meeting held on October 29, 2014 has inter alia approved the following:

1. Audited standalone financial results for the quarter and nine months ended September 30, 2014.
2. Unaudited consolidated financial results for the quarter and nine months ended September 30, 2014.
3. Payment of third interim dividend for the year 2014 at the rate of Re. 0.90 (Ninety Paisa only) per equity share of Re. 1/- each. Third Interim Dividend will be paid on November 21, 2014 to those shareholders of the Company, whose names appear in the Register of Members as on the Record Date fixed in this regard i.e. November 07, 2014.
4. Transfer of Europe BPO Business by way of sale of Company's 100% holding in R Systems Europe B.V., The Netherlands and R Systems S.A.S., France, being wholly owned subsidiaries of the Company, to Customer Contact Management Group B.V. (an affiliate of Webhelp Netherland B.V.), a Europe based company, for an enterprise value of Euro 4 millions on a debt free -cash free basis, subject to execution of definitive agreements and receipt of necessary corporate and regulatory approvals..
5. Remuneration of Mr. Satinder Singh Rekhi, Managing Director of the Company pursuant to the provisions of the Companies Act, 2013 for the period of three years i.e. April 01, 2014 till March 31, 2017.
6. Notice for passing of special resolution through Postal Ballot seeking approval of the shareholders pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 for the approval of remuneration of Mr. Satinder Singh Rekhi as Managing Director of the Company and appointment of Mr. Sanjay Grover, Practising Company Secretary as Scrutinizer for conducting the postal ballot.
7. Appointment of Mrs. Ruchica Gupta as member of Nomination & Remuneration Committee of the Board.

R SYSTEMS INTERNATIONAL LTD.

Please find attached herewith the following:

1. Audited standalone financial results for the quarter and nine months ended September 30, 2014 in the format prescribed under Clause 41 of the Listing Agreement along with the report of the auditors thereon.

2. Unaudited consolidated financial results for the quarter and nine months ended September 30, 2014 in the format prescribed under Clause 41 of the Listing Agreement along with the Limited Review Report of the auditors thereon.

3. Copy of the press release proposed to be issued for declaration of the financial results for the quarter and nine months ended September 30, 2014.

This is for your information and record.

Thanking you.

Yours faithfully,
For R Systems International Limited

R SYSTEMS INTERNATIONAL LTD.

Vikash Kumar Tiwari
(Company Secretary & Compliance Officer)

R SYSTEMS INTERNATIONAL LIMITED

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

Statement of Standalone Audited Results for the Quarter and Nine Months Ended September 30, 2014

PART I

(Rs. in lakhs, except per share data)

S.No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.12.2013
	(Refer notes)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**Income from operations**						
(a)	Income from operations	7,780.67	7,115.75	7,336.16	21,803.77	19,611.54	26,980.34
(b)	Other operating income	184.48	44.78	4.62	337.63	23.47	31.82
	Total income from operations	**7,965.15**	**7,160.53**	**7,340.78**	**22,141.40**	**19,635.01**	**27,012.16**
2	**Expenses**						
(a)	Employee benefits expense	4,470.45	4,423.22	3,840.25	13,146.72	11,910.55	16,020.44
(b)	Depreciation and amortisation expense	173.44	169.06	119.92	497.86	353.44	478.08
(c)	Traveling and conveyance	636.18	562.60	602.49	1,765.32	1,641.10	2,170.73
(d)	Communication costs	134.28	145.00	130.13	406.89	372.45	506.54
(e)	Legal and professional expenses (including subcontract expenses)	168.29	127.51	129.07	424.54	417.24	558.52
(f)	Provision for doubtful debts and advances (net)	-	-	(38.86)	-	126.46	149.59
(g)	Other expenses	605.17	521.92	739.61	1,604.37	1,902.48	2,070.47
	Total expenses	**6,187.81**	**5,949.31**	**5,522.61**	**17,845.70**	**16,723.72**	**21,954.37**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**1,777.34**	**1,211.22**	**1,818.17**	**4,295.70**	**2,911.29**	**5,057.79**
4	Other income	74.78	101.45	89.11	285.75	289.38	385.05
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**1,852.12**	**1,312.67**	**1,907.28**	**4,581.45**	**3,200.67**	**5,442.84**
6	Finance costs	15.49	6.65	6.41	30.65	19.28	27.97
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**1,836.63**	**1,306.02**	**1,900.87**	**4,550.80**	**3,181.39**	**5,414.87**
8	Exceptional items (refer note 5 and 6)	1,524.44	-	-	1,524.44	-	-
9	**Profit from ordinary activities before tax (7+8)**	**3,361.07**	**1,306.02**	**1,900.87**	**6,075.24**	**3,181.39**	**5,414.87**
10	**Tax expense**						
	Current tax	739.41	484.41	659.55	1,526.69	1,153.14	1,908.74
	MAT credit (refer note 9)	-	-	-	-	(123.21)	(123.21)
	Deferred tax charge / (credit)	(20.24)	(34.09)	(31.90)	126.35	(40.57)	(25.88)
	Total tax expense	**719.17**	**450.32**	**627.65**	**1,653.04**	**989.36**	**1,759.65**
11	**Net profit from ordinary activities after tax (9-10)**	**2,641.90**	**855.70**	**1,273.22**	**4,422.20**	**2,192.03**	**3,655.22**
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net profit for the period / year (11-12)**	**2,641.90**	**855.70**	**1,273.22**	**4,422.20**	**2,192.03**	**3,655.22**
14	Paid - up equity share capital (Face value Re. 1/- each) (refer note 7 and 8)	1,266.28	1,266.28	1,259.16	1,266.28	1,259.16	1,259.16
15	Reserves excluding Revaluation Reserves as at December 31, 2013						17,546.23
16.i	**Earnings per share before extraordinary items and after considering sub-division (Face value of Re. 1/- each) (not annualised) (refer note 7)**						
	(a) Basic	2.07	0.67	1.01	3.48	1.74	2.90
	(b) Diluted	2.07	0.67	1.01	3.48	1.74	2.90
16.ii	**Earnings per share after extraordinary items and considering sub-division (Face value of Re. 1/- each) (not annualised) (refer note 7)**						
	(a) Basic	2.07	0.67	1.01	3.48	1.74	2.90
	(b) Diluted	2.07	0.67	1.01	3.48	1.74	2.90

See accompanying notes to the financial results.

PART II

A	**PARTICULARS OF SHAREHOLDING (refer note 7)**						
1	**Public Shareholding**						
	- Number of shares (Face value Re. 1/- each)	62,938,383	63,000,635	62,237,620	62,938,383	62,237,620	62,237,620
	- Percentage of shareholding	49.41	49.46	49.14	49.41	49.14	49.14
2	**Promoters and Promoter Group Shareholding**						
(a)	**Pledged / encumbered**						
	- Number of shares (Face value Re. 1/- each)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
(b)	**Non-encumbered**						
	- Number of shares (Face value Re. 1/- each)	64,428,797	64,366,545	64,416,960	64,428,797	64,416,960	64,416,960
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	50.59	50.54	50.86	50.59	50.86	50.86

	Particulars	Three Months Ended
		30.09.2014
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	10
	Disposed off during the quarter	10
	Remaining unresolved at the end of the quarter	NIL

CERTIFIED TRUE COPY
For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. Batliboi & Associates LLP, Gurgaon

for Identification

Notes:

1 The results for the quarter and nine months ended September 30, 2014 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 29, 2014.

2 An audit has been completed by the Statutory Auditors for the quarter and nine months ended September 30, 2014 and September 30, 2013, quarter ended June 30, 2014 and year ended December 31, 2013. There is no qualification in the Auditors' Report on these financial results.

3 The Board of Directors at its meeting held on June 03, 2014 and July 26, 2014 had declared first and second interim dividend of Re. 0.95 and Re. 0.50 per equity share of face value of Re. 1/- each respectively. These dividends were paid to the shareholders on June 23, 2014 and August 19, 2014 respectively. Further, Board of Directors at its meeting held on October 29, 2014 has declared third interim dividend of Re. 0.90 per equity share, as per record date of November 07, 2014. The Shareholders' assent for all these interim dividends will be taken in the forthcoming Annual General Meeting.

4 On July 11, 2014, the Company incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited ("RSPTL"). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 have accorded necessary approval for transfer of Indus IT Product and Service business operated out of Pune and Chennai centres to RSPTL to pursue opportunities for its further sale or disinvestment. The said transfer will be on a going concern basis by way of slump sale, for consideration of Rs 7,839.00 lakhs to be discharged by RSPTL through issuance of equity / debenture / loan and / or any other securities, on the terms and conditions as may be agreed by the Board of Directors of the Company and RSPTL. Accordingly, the aforesaid Indus IT Product and Service business, being part of Information technology services and products segment, is considered as "Discontinuing Operations" for the purpose of the Standalone Audited Results of the Company. The revenue and expenses attributable to the said operations included in the financial results are as follows:

Particulars	(Rs. in lakhs)					
	Three Months Ended			Nine Months Ended		Year Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.12.2013
Total income	2,350.21	1,957.11	1,719.28	6,205.21	5,276.63	7,281.33
Total expenses	1,898.38	1,642.36	1,470.26	5,076.74	4,736.61	6,206.66
Profit before tax	**451.83**	**314.75**	**249.02**	**1,128.47**	**540.02**	**1,074.67**
Total tax expense	153.58	106.97	84.64	383.57	181.26	362.99
Profit after tax	**298.25**	**207.78**	**164.38**	**744.90**	**358.76**	**711.68**

5 The Board of Directors at its meeting held on July 07, 2014 has approved the offer of buy-back from Computaris International Limited (a wholly owned subsidiary) of 13,500 shares held by the Company in the said subsidiary at the rate of GBP 111.38 per share amounting to GBP 1.50 million. The aforesaid buy-back proceeds has been received by the Company on September 17, 2014. Even after this buy back, Computaris International Limited remains wholly owned subsidiary of the Company. The profit on the buy-back amounting to Rs. 777.99 lakhs is included in 'Exceptional Items' in the financial results.

6 The Board of Directors at its meeting held on October 29, 2014 has approved the transfer of Europe BPO Business by way of sale of Company's 100% holding in R Systems Europe B.V., Netherlands and R Systems S.A.S., France, being wholly owned subsidiaries of the Company, to Customer Contact Management Group B.V. ("CCMG") (an affiliate of Webhelp Netherland B.V.), a Europe based company, for an enterprise value of Euro 4 million on a debt free - cash free basis, subject to execution of definitive agreements and receipt of necessary corporate and regulatory approvals.
Considering the binding offer received from CCMG, the management of the Company has reversed the provision considered in earlier period towards diminution in the value of investment amounting to Rs. 420.52 lakhs and Rs. 325.93 lakhs for R Systems Europe B.V., Netherlands and R Systems S.A.S., France respectively. These reversals are included in 'Exceptional Items' in the financial results.

7 Pursuant to the approval of the shareholders accorded by passing necessary resolution through Postal Ballot on January 14, 2014, each equity share of face value of Rs. 10/- each of the Company was sub-divided into ten equity shares of face value of Re. 1/- each fully paid up. The sub-division has been given effect as per record date fixed by the Board of Directors i.e. February 28, 2014. Accordingly, the number of equity shares in Part II of the accompanying statement (including the previous period comparative numbers) has been stated based on face value of Re. 1/- each. Further, for the purpose of computing Earnings Per Share, the effect of sub-division had been considered in accordance with the requirements of Accounting Standard - 20 "Earnings Per Share" in all comparable periods.

8 During the nine months ended September 30, 2014, the Company has issued 712,600 equity shares of Re. 1/- each at an exercise price of Rs. 12.07 per share (post sub-division), pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.

9 MAT Credit during the nine months ended September 30, 2013 and year ended December 31, 2013 pertains to prior periods.

10 Refer Annexure A for segment wise standalone revenue, results and capital employed.

11 Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period presentation.

For and on behalf of the Board

Lt. Gen. Baldev Singh (Retd.)
[President & Senior Executive Director]

Place : NOIDA
Date : October 29, 2014

S.R. Batliboi & Associates LLP, Gurgaon
for Identification

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Annexure A

R SYSTEMS INTERNATIONAL LIMITED

Segment Wise Standalone Revenue, Results and Capital Employed

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2014 (Audited)	30.06.2014 (Audited)	30.09.2013 (Audited)	30.09.2014 (Audited)	30.09.2013 (Audited)	31.12.2013 (Audited)
1	**Segment revenue**						
	- Information technology services and products	6,754.59	6,221.89	6,423.17	19,146.51	17,121.12	23,564.01
	- Business process outsourcing services	1,026.08	893.86	912.99	2,657.26	2,490.42	3,416.33
	Income from operations	**7,780.67**	**7,115.75**	**7,336.16**	**21,803.77**	**19,611.54**	**26,980.34**
2	**Segment results before tax and interest**						
	- Information technology services and products*	2,448.63	1,197.03	1,722.92	5,093.88	2,893.54	4,903.89
	- Business process outsourcing services**	985.55	173.99	212.27	1,139.85	362.87	629.94
	Total	**3,434.18**	**1,371.02**	**1,935.19**	**6,233.73**	**3,256.41**	**5,533.83**
	(i) Interest expense	(1.85)	(1.96)	(1.61)	(5.54)	(4.86)	(6.81)
	(ii) Interest income	74.78	91.40	89.11	275.70	289.38	385.05
	(iii) Other unallocable income	-	10.05	-	10.05	-	-
	(iv) Other unallocable expenses	(146.04)	(164.49)	(121.82)	(438.70)	(359.54)	(497.20)
	Profit before tax	**3,361.07**	**1,306.02**	**1,900.87**	**6,075.24**	**3,181.39**	**5,414.87**
3	**Capital employed**						
	- Information technology services and products	14,227.31	15,098.98	14,969.10	14,227.31	14,969.10	15,610.27
	- Business process outsourcing services	221.15	(764.31)	(1,180.60)	221.15	(1,180.60)	(918.36)
	- Unallocated corporate	5,321.04	4,168.42	4,961.40	5,321.04	4,961.40	4,113.48
	Total capital employed	**19,769.50**	**18,503.09**	**18,749.90**	**19,769.50**	**18,749.90**	**18,805.39**

* After considering exceptional item as explained in note 5 to the audited financial results.

** After considering exceptional item as explained in note 6 to the audited financial results.

S.R. Batliboi & Associates LLP, Gurgaon

for Identification

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

Auditor's Report On Quarterly Financial Results and Year to Date Results of R Systems International Limited pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of R Systems International Limited,

1. We have audited the quarterly financial results of R Systems International Limited (the "Company") for the quarter ended September 30, 2014 and year to date results for the period January 1, 2014 to September 30, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year-to-date financial results have been prepared on the basis of the interim condensed financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such interim condensed financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India and the relevant requirements of Clause 41 of the Listing Agreement.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us these quarterly as well as the year to date financial results:

   i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and

   ii. give a true and fair view of the net profit and other financial information for the quarter ended September 30, 2014 as well as year to date results for the period from January 1, 2014 to September 30, 2014.

4. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W
Chartered Accountants

per Yogender Seth
Partner
Membership No.: 94524

Place: Gurgaon
Date: October 29, 2014

CERTIFIED TRUE COPY
For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. Batliboi & Associates (a partnership firm) converted into S.R. Batliboi & Associates LLP (a Limited Liability Partnership with LLP Identity No. AAB-4295) effective 1st April, 2013
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

R SYSTEMS INTERNATIONAL LIMITED

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

Statement of Consolidated Unaudited Results for the Quarter and Nine Months Ended September 30, 2014

PART I (Rs. in lakhs, except per share data)

S.No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.12.2013
	(Refer notes)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
(a)	Income from operations	16,851.47	16,066.75	16,042.33	48,544.77	43,050.33	59,605.42
(b)	Other operating income	94.27	6.58	6.96	439.57	58.43	68.03
	Total income from operations	**16,945.74**	**16,073.33**	**16,049.29**	**48,984.34**	**43,108.76**	**59,673.45**
2	**Expenses**						
(a)	Employee benefits expense	9,946.75	9,793.52	9,058.84	29,598.74	26,311.18	35,738.67
(b)	Depreciation and amortisation expense	284.85	283.67	264.68	838.42	735.33	1,017.07
(c)	Traveling and conveyance	860.99	751.68	926.13	2,550.76	2,648.01	3,459.44
(d)	Communication costs	223.12	222.39	218.41	663.52	624.21	835.66
(e)	Legal and professional expenses (including subcontract expenses)	1,977.36	1,742.96	1,619.15	5,338.31	4,238.06	5,982.97
(f)	Provision for doubtful debts and advances (net)	-	-	(23.70)	-	325.75	334.50
(g)	Other expenses	1,158.20	1,267.66	1,576.05	3,581.48	4,252.74	5,451.21
	Total expenses	**14,451.27**	**14,061.88**	**13,639.56**	**42,571.23**	**39,135.28**	**52,819.52**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**2,494.47**	**2,011.45**	**2,409.73**	**6,413.11**	**3,973.48**	**6,853.93**
4	Other income	77.34	103.77	94.37	294.91	302.38	403.46
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**2,571.81**	**2,115.22**	**2,504.10**	**6,708.02**	**4,275.86**	**7,257.39**
6	Finance costs	26.68	18.82	15.59	66.14	52.62	74.84
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**2,545.13**	**2,096.40**	**2,488.51**	**6,641.88**	**4,223.24**	**7,182.55**
8	Exceptional items (refer note 5)	260.85	-	-	260.85	-	-
9	**Profit from ordinary activities before tax (7+8)**	**2,805.98**	**2,096.40**	**2,488.51**	**6,902.73**	**4,223.24**	**7,182.55**
10	**Tax expense**						
	Current tax	990.08	701.77	704.24	2,098.08	1,288.03	2,048.20
	MAT credit (refer note 9)	-	-	-	-	(123.21)	(123.21)
	Deferred tax charge / (credit)	(5.10)	1.92	(21.12)	154.62	(34.35)	(12.31)
	Total tax expense	**984.98**	**703.69**	**683.12**	**2,252.70**	**1,130.47**	**1,912.68**
11	**Net profit from ordinary activities after tax (9-10)**	**1,821.00**	**1,392.71**	**1,805.39**	**4,650.03**	**3,092.77**	**5,269.87**
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net profit for the period / year (11-12)**	**1,821.00**	**1,392.71**	**1,805.39**	**4,650.03**	**3,092.77**	**5,269.87**
14	Share of profit / (loss) of associates	-	-	-	-	-	-
15	Minority Interest	-	-	-	-	-	-
16	**Net profit after taxes, minority interest and share of profit / (loss) of associates (13+14-15)**	**1,821.00**	**1,392.71**	**1,805.39**	**4,650.03**	**3,092.77**	**5,269.87**
17	Paid - up equity share capital (Face value Re. 1/- each) (refer note 7 and 8)	1,266.28	1,266.28	1,259.16	1,266.28	1,259.16	1,259.16
18	Reserves excluding Revaluation Reserves as at December 31, 2013						21,916.91
19.i	**Earnings per share before extraordinary items and after considering sub-division (Face value of Re. 1/- each) (not annualised) (refer note 7)**						
	(a) Basic	1.43	1.09	1.43	3.66	2.46	4.18
	(b) Diluted	1.43	1.09	1.43	3.66	2.46	4.18
19.ii	**Earnings per share after extraordinary items and considering sub-division (Face value of Re. 1/- each) (not annualised) (refer note 7)**						
	(a) Basic	1.43	1.09	1.43	3.66	2.46	4.18
	(b) Diluted	1.43	1.09	1.43	3.66	2.46	4.18

See accompanying notes to the financial results.

PART II

A	**PARTICULARS OF SHAREHOLDING (refer note 7)**						
1	**Public Shareholding**						
	- Number of shares (Face value Re. 1/- each)	62,938,383	63,000,635	62,237,620	62,938,383	62,237,620	62,237,620
	- Percentage of shareholding	49.41	49.46	49.14	49.41	49.14	49.14
2	**Promoters and Promoter Group Shareholding**						
(a)	**Pledged / encumbered**						
	- Number of shares (Face value Re. 1/- each)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
(b)	**Non-encumbered**						
	- Number of shares (Face value Re. 1/- each)	64,428,797	64,366,545	64,416,960	64,428,797	64,416,960	64,416,960
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	50.59	50.54	50.86	50.59	50.86	50.86

	Particulars	Three Months Ended
		30.09.2014
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	10
	Disposed off during the quarter	10
	Remaining unresolved at the end of the quarter	Nil

S.R. Batliboi & Associates LLP, Gurgaon

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Notes:

1. The results for the quarter and nine months ended September 30, 2014 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 29, 2014.
2. The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter and nine months ended September 30, 2014 and September 30, 2013, for the quarter ended June 30, 2014 and audit for the year ended December 31, 2013. There is no qualification in the Auditors' Report on these financial results.
3. The Board of Directors at its meeting held on June 03, 2014 and July 26, 2014 had declared first and second interim dividend of Re. 0.95 and Re. 0.50 per equity share of face value of Re. 1/- each respectively. These dividends were paid to the shareholders on June 23, 2014 and August 19, 2014 respectively. Further, Board of Directors at its meeting held on October 29, 2014 has declared third interim dividend of Re. 0.90 per equity share, as per record date of November 07, 2014. The Shareholders' assent for all these interim dividends will be taken in the forthcoming Annual General Meeting.
4. On July 11, 2014, the Company incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited ("RSPTL"). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 have accorded necessary approval for transfer of Indus IT Product and Service business operated out of Pune and Chennai centres to RSPTL to pursue opportunities for its further sale or disinvestment. The said transfer will be on a going concern basis by way of slump sale, for consideration of Rs 7,839.00 lakhs to be discharged by RSPTL through issuance of equity / debenture / loan and / or any other securities, on the terms and conditions as may be agreed by the Board of Directors of the Company and RSPTL. Further, the aforesaid transfer to the subsidiary will not affect the consolidated financial results of the Company.
5. The Board of Directors at its meeting held on July 07, 2014 has approved the offer of buy-back from Computaris International Limited (a wholly owned subsidiary) of 13,500 shares held by the Company in the said subsidiary at the rate of GBP 111.38 per share amounting to GBP 1.50 million. The aforesaid buy-back proceeds has been received by the Company on September 17, 2014. Even after this buy back, Computaris International Limited remains wholly owned subsidiary of the Company.
   On account of this buy-back, the Company has released proportionate currency translation reserve amounting to Rs. 260.85 lakhs to the foreign exchange fluctuation which is disclosed as 'Exceptional Items' in the financial results.
6. The Board of Directors at its meeting held on October 29, 2014 has approved the transfer of Europe BPO Business by way of sale of Company's 100% holding in R Systems Europe B.V., Netherlands and R Systems S.A.S., France, being wholly owned subsidiaries of the Company, to Customer Contact Management Group B.V. ("CCMG") (an affiliate of Webhelp Netherland B.V.), a Europe based company, for an enterprise value of Euro 4 million on a debt free - cash free basis, subject to execution of definitive agreements and receipt of necessary corporate and regulatory approvals.
7. Pursuant to the approval of the shareholders accorded by passing necessary resolution through Postal Ballot on January 14, 2014, each equity share of face value of Rs. 10/- each of the Company was sub-divided into ten equity shares of face value of Re. 1/- each fully paid up. The sub-division has been given effect as per record date fixed by the Board of Directors i.e. February 28, 2014. Accordingly, the number of equity shares in Part II of the accompanying statement (including the previous period comparative numbers) has been stated based on face value of Re. 1/- each. Further, for the purpose of computing Earnings Per Share, the effect of sub-division had been considered in accordance with the requirements of Accounting Standard - 20 "Earnings Per Share" in all comparable periods.
8. During the nine months ended September 30, 2014, the Company has issued 712,600 equity shares of Re. 1/- each at an exercise price of Rs. 12.07 per share (post sub-division), pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
9. MAT Credit during the nine months ended September 30, 2013 and year ended December 31, 2013 pertains to prior periods.
10. Refer Annexure A for segment wise consolidated revenue, results and capital employed.
11. Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period presentation.

For and on behalf of the Board

Lt. Gen. Baldev Singh (Retd.)
[President & Senior Executive Director]

Place : NOIDA
Date : October 29, 2014

S.R. Batliboi & Associates LLP, Gurgaon

for Identification

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Annexure A

R SYSTEMS INTERNATIONAL LIMITED

Segment Wise Consolidated Revenue, Results and Capital Employed

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.12.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment revenue**						
	- Information technology services and products	13,720.63	13,113.78	13,076.20	39,454.97	34,964.91	48,396.68
	- Business process outsourcing services	3,174.33	2,995.95	3,035.88	9,229.67	8,268.29	11,443.06
	Total	**16,894.96**	**16,109.73**	**16,112.08**	**48,684.64**	**43,233.20**	**59,839.74**
	Less: Elimination of intersegment sales	43.49	42.98	69.75	139.87	182.87	234.32
	Income from operations	**16,851.47**	**16,066.75**	**16,042.33**	**48,544.77**	**43,050.33**	**59,605.42**
2	**Segment results before tax and interest**						
	- Information technology services and products*	2,454.62	1,825.94	2,170.10	6,180.47	3,627.59	6,218.86
	- Business process outsourcing services	455.55	366.07	379.78	960.59	746.49	1,239.25
	Total	**2,910.17**	**2,192.01**	**2,549.88**	**7,141.06**	**4,374.08**	**7,458.11**
	(i) Interest expense	(2.55)	(2.23)	(2.83)	(9.00)	(8.57)	(12.34)
	(ii) Interest income	77.34	93.72	94.37	284.86	302.38	403.46
	(iii) Other unallocable income	-	10.05	-	10.05	-	-
	(iv) Other unallocable expenses	(178.98)	(197.15)	(152.91)	(524.24)	(444.65)	(666.68)
	Profit before tax	**2,805.98**	**2,096.40**	**2,488.51**	**6,902.73**	**4,223.24**	**7,182.55**
3	**Capital employed**						
	- Information technology services and products	16,735.34	17,989.87	16,068.07	16,735.34	16,068.07	17,052.44
	- Business process outsourcing services	1,577.26	1,188.44	268.53	1,577.26	268.53	751.90
	- Unallocated corporate	5,417.21	4,560.90	6,064.35	5,417.21	6,064.35	5,371.73
	Total capital employed	**23,729.81**	**23,739.21**	**22,400.95**	**23,729.81**	**22,400.95**	**23,176.07**

* After considering exceptional item as explained in note 5 to the financial results.

S.R. Batliboi & Associates LLP, Gurgaon

for Identification

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

Limited Review Report

The Board of Directors
R Systems International Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of R Systems International Limited (the ''Company'') and its subsidiaries (together referred to as the ''Group''), for the quarter ended September 30, 2014 and for the period January 01, 2014 to September 30, 2014, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors and has been prepared by the management on the basis of separate financial results and other financial information regarding components. These financial results of Company's subsidiaries have been prepared in accordance with accounting policies generally accepted in their respective countries and have been reviewed by other auditors prepared under generally accepted auditing standards of their respective countries. The management has converted these financial results of the Company's subsidiaries to accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. In respect of unaudited quarterly and year to date consolidated financial results, we did not review the statements of unaudited financial results of its subsidiaries, whose unaudited quarterly and year to date financial results reflect total revenue and total assets as follows:

   (i) in relation to R Systems, Inc., USA subsidiary, total revenues of Rs. 327,456,720 for the quarter then ended and total revenues of Rs. 915,511,822 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 367,264,267 as at September 30, 2014.

   (ii) in relation to Indus Software, Inc., USA subsidiary, total revenues of Rs. Nil for the quarter then ended and total revenues of Rs. Nil for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 379,889 as at September 30, 2014.

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

S R. Batliboi & Associates (a partnership firm) converted into S.R. Batliboi & Associates LLP (a Limited Liability Partnership with LLP Identity No. AAB-4295) effective 1st April, 2013
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

(iii) in relation to R Systems Solutions, Inc., USA subsidiary, total revenues of Rs. 90,869,723 for the quarter then ended and total revenues of Rs. 261,969,624 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 112,851,432 as at September 30, 2014.

(iv) in relation to ECnet Limited and its subsidiaries, Singapore subsidiary, total revenues of Rs. 80,920,140 for the quarter then ended and total revenues of Rs. 248,968,620 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 145,326,908 as at September 30, 2014.

(v) in relation to the R System (Singapore) Pte. Limited., Singapore subsidiary, total revenues of Rs. 55,273,696 for the quarter then ended and total revenues of Rs. 165,151,816 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 55,463,837 as at September 30, 2014.

(vi) in relation to R Systems S.A.S., France subsidiary, total revenues of Rs. 1,276,726 for the quarter then ended and total revenues of Rs. 4,073,754 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 10,331,192 as at September 30, 2014.

(vii) in relation to R Systems Europe B.V., Netherlands subsidiary, total revenues of Rs. 126,953,320 for the quarter then ended and total revenues of Rs. 401,548,163 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 222,949,347 as at September 30, 2014.

(viii) in relation to Computaris International Limited and its subsidiaries, U.K subsidiary, total revenues of Rs. 250,950,227 for the quarter then ended and total revenues of Rs. 757,719,226 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 783,150,653 as at September 30, 2014.

(ix) in relation to Systemes R. International Ltee, Canada Subsidiary, total revenues of Rs. 1,882,858 for the quarter then ended and total revenues of Rs. 3,559,598 for the period January 01, 2014 to September 30, 2014, and total assets of Rs. 4,644,335 as at September 30, 2014.

The financial information of these subsidiaries have been prepared in accordance with accounting policies generally accepted in their respective countries and have been reviewed by other auditors who have submitted their review opinions, prepared under generally accepted auditing standards of their respective countries, to the Board of Directors of the respective companies, copies of which have been provided to us by the Company. The management has converted these financial results of the Company's subsidiaries to accounting principles generally accepted in India. Our opinion thus, insofar it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the accounting policies generally accepted in respective countries and our review of the conversion process followed by management.

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

4. Based on our review conducted as above and on consideration of reports of other auditors on the unaudited separate quarterly and year to date financial results and on the other financial information of the components, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES. LLP
ICAI Firm registration number: 101049W
Chartered Accountants

per Yogender Seth
Partner
Membership No.: 94524
Place: Gurgaon
Date: October 29, 2014

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

R Systems Announces Results for Q3, 2014
An Increase of 50% in Net Profit during Nine Months

Q3, 2014: Record Revenue: Rs 168.51 Crores, EBITDA: Rs 26.87 Crores and Net Profits: Rs 18.21 Crores

Noida, India – October 29, 2014

Highlights

Consolidated results for the quarter ended Sep 30, 2014

- Consolidated revenue from operations for Q3-14 was Rs. 168.51 crores (US$ 27.81 mn) compared to Rs. 160.42 crores (US$ 25.89 mn) in Q3, 2013 and Rs. 160.67 crores (US$ 26.85 mn) in Q2, 2014. YoY increase was 5.04% and QoQ increase was 4.88%.

- EBITDA was Rs. 26.87 crores (US$ 4.43 mn) compared to Rs. 28.71 crores (US$ 4.85 mn) in Q3, 2013 and Rs.22.43 crores (US$ 3.74 mn) in Q2, 2014. YoY decrease was 6.43% and QoQ increase was 19.78%.

- Net profit after taxes was Rs. 18.21 crores (US$ 3.00 mn) compared to Rs. 18.05 crores (US$ 3.05 mn) in Q3, 2013 and Rs. 13.93 crores (US$ 2.33 mn) in Q2, 2014. YoY increase was 0.86% and QoQ increase was 30.75%.

- Added 96 net associates during the quarter.

- Added 5 key customers during the quarter.

Consolidated results for the nine months ended Sep 30, 2014

- Consolidated revenue for nine months ended Sep 30, 2014 was Rs. 485.45 crores (US$ 79.97 mn.) as against Rs. 430.50 crores (US$ 74.98 mn.) in Sep 30, 2013; YoY increase of 12.76%.

- Earnings before interest, depreciation, taxes and allowances ("EBITDA") for nine months ended Sep 30, 2014 was Rs. 67.96 crores (US$ 11.20 mn.) as against Rs. 49.36 crores (US$ 8.60 mn.) in Sep 30, 2013; YoY increase of 37.69%

- Net profit after taxes for nine months ended Sep 30, 2014 was Rs. 46.50 crores (US$ 7.66 mn.) as against Rs. 30.93 crores (US$ 5.39 mn.) in Sep 30, 2013 ; YoY increase of 50.35%

Mr. Rekhi Singh, Managing Director stated "It has been a great quarter with record revenues of Rs. 168 crores, EBIDTA of Rs. 27 crores and EAT of Rs. 18 crores. In the nine months ended September 30, 2014, we reported 50% increase in profits as against the same period last year. Volume growth coupled with improved utilisation level and higher license revenue led to improved margins."

He added, "We have a strong balance sheet with net worth of Rs. 237 crores including cash and bank balance of Rs. 117 crores and constant cash generation. Considering the overall performance, the Board has declared a third interim dividend of 90% i.e. Re. 0.90 per share".

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

He further added, "Keeping pace with our growth, we have also intensified our branding and marketing efforts in niche areas, to highlight our key strengths. The Company is focusing towards caring and innovation driven culture to transform the customers, employees and other stakeholders. We are now applying these values at every stage of our organizational functioning."

Mr. Raj Swaminathan, Director and COO said "We are continuing our focus on disciplined execution, strengthening sales & marketing efforts and processes and deepen our engagement with customers to create higher value proposition." He added, "We concluded the quarter with over 2,700 associates, an increase of about 100 associates over last quarter along with maintaining healthy utilization of above 75%."

Key Operational Highlights for the Quarter

R Systems' core service offerings include Outsourced Product Engineering, sold under our brand of iPLM (Integrated Product Life Cycle Management) IT and ITES services. Our iPLM IT Services are designed to help software product development companies to accelerate their time-to-market, make our customer more competitive and increase product life spans. Our key ITES services include customer care and technical support, managed services, NOC support, high-end quality process management and revenue and claims management. These are delivered using our global delivery model.

R Systems products group consists of two units i.e., Indus® and ECnet®. Indus® addresses its target BFSI market with its flagship product LSI (Lending Solutions from Indus) and its variants for the telecom and insurance industry.

ECnet® addresses supply chain, warehousing and inventory management. Further, ECnet also operates as a channel partner for reselling and implementing several ERP products of one of the largest ERP vendors.

Our services and solutions span five major verticals which include Telecom and Digital Media, Banking and Finance, Healthcare Services, Manufacturing and Logistics, and Government Services. We serve customers worldwide using our global delivery model and 2700+ associates.

The brief of some significant wins are listed below:

A US based company focusing on clinical research, with a flagship product having multi-tenant architecture to isolate each customer data, has engaged R Systems to build an automation framework to improve study protocol design and streamline study recruitment activities.

A captive car finance company of one of the largest Japanese brands has engaged R Systems to implement Indus Dealer Funding & Stock Audit System for its operation in India.

A leading captive two wheeler finance company offering hire purchase, leasing, and refinance services has mandated R Systems to implement Indus Collection System together with its Mobile Collections module for India.

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Our subsidiary ECnet has been given mandate for two key ERP implementation engagements in Malaysia during the quarter to implement globally renowned and comprehensive ERP systems. First one is with a renowned group engaged in manufacturing of packaging material and manufacturing and distribution of dairy and non-dairy products. The other one is with a Malaysian conglomerate involved in several business activities like assembly and marketing of motor vehicles, auto parts manufacturing and trading of industrial equipment and consumer products.

Interim Dividend and Other Corporate Matters

The Board of Directors at its meeting held on October 29, 2014 has declared third interim dividend of Re. 0.90 per equity shares (i.e. 90% on equity share of par value of Re. 1/-).

Further, the Board of Directors has also approved the transfer of Europe BPO Business by way of sale of Company's 100% holding in R Systems Europe B.V., Netherlands and R Systems S.A.S., France, being wholly owned subsidiaries of the Company, to Customer Contact Management Group B.V. ("CCMG") (an affiliate of Webhelp Netherland B.V.), a Europe based company, for an enterprise value of Euro 4 million on a debt free - cash free basis, subject to execution of definitive agreements and receipt of necessary corporate and regulatory approvals."

Liquidity and Shareholder Funds

Total Consolidated Cash and bank balance, including bank deposits and liquid debt funds, as at September 30, 2014 was Rs. 116.98 crores compared to Rs. 99.51 crores as on June 30, 2014. Total shareholder funds as on September 30, 2014 were Rs. 237.30 crores compared to Rs. 237.39 crores as on June 30, 2014.

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended September 30, 2014

(As per Indian GAAP)

(Rs. in mn, except per share data)

Sr. No.	Particulars	Quarter Ended September 30,		Quarter Ended June 30,
		2014	2013	2014
1	**Income**			
1.1	Income from operations	1,685.15	1,604.23	1,606.68
1.2	Other operating income	9.43	0.70	0.66
	Total	**1,694.58**	**1,604.93**	**1,607.34**
2	**Expenses**			
2.1	Employee benefits expense	994.68	905.88	979.35
2.2	Depreciation and amortisation expense	28.48	26.47	28.37
2.3	Traveling and conveyance	86.10	92.61	75.17
2.4	Communication costs	22.31	21.84	22.24
2.5	Legal and professional expenses (including subcontract expenses)	197.74	161.92	174.30
2.6	Provision for doubtful debts and advances (net)	-	(2.37)	-
2.7	Other expenses	115.82	157.61	126.76
	Total expenses	**1,445.13**	**1,363.96**	**1,406.19**
3	**Profit from operations before other income and finance cost**	**249.45**	**240.97**	**201.15**
4	Other income	7.73	9.44	10.38
5	**Profit from operations before finance cost**	**257.18**	**250.41**	**211.53**
6	Finance cost	2.67	1.56	1.89
7	**Profit from ordinary before exceptional items**	**254.51**	**248.85**	**209.64**
8	Exceptional items *	26.09	-	-
9	**Profit before tax**	**280.60**	**248.85**	**209.64**
10	**Tax expense**			
10.1	Current tax (net of MAT credit)	99.01	70.42	70.18
10.2	Deferred tax charge / (credit)	(0.51)	(2.11)	0.19
	Total tax expense	**98.50**	**68.31**	**70.37**
11	**Net profit after tax**	**182.10**	**180.54**	**139.27**
12	**Earnings per share (Face value of Re. 1/- each)**			
12.1	Basic	1.43	1.43	1.09
12.2	Diluted	1.43	1.43	1.09

* During the quarter, the Company has completed the buy-back of shares of Computaris International Limited (a wholly owned subsidiary). On account of this, the Company has released proportionate currency translation reserve amounting to Rs. 26.09 mn to the foreign exchange fluctuation which is disclosed as 'Exceptional items'.

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Nine Months Ended September 30,2014
(As per Indian GAAP)

(Rs. in mn, except per share data)

Sr. No.	Particulars	Nine Month Ended September 30,	
		2014	2013
1	**Income**		
1.1	Income from operations	4,854.48	4,305.03
1.2	Other operating income	43.95	5.84
	Total	**4,898.43**	**4,310.87**
2	**Expenditure**		
2.1	Employee benefits expense	2,959.87	2,631.12
2.2	Depreciation and amortisation expense	83.84	73.53
2.3	Traveling and conveyance	255.08	264.80
2.4	Communication costs	66.35	62.42
2.5	Legal and professional expenses (including subcontract expenses)	533.83	423.81
2.6	Provision for doubtful debts and advances (net)	-	32.58
2.7	Other expenditure	358.15	425.27
	Total expenditure	**4,257.12**	**3,913.53**
3	**Profit from operations before other income and finance cost**	**641.31**	**397.34**
4	Other income	29.49	30.24
5	**Profit from operations before finance cost**	**670.80**	**427.58**
6	Finance cost	6.62	5.26
7	**Profit from ordinary before exceptional items**	**664.18**	**422.32**
8	Exceptional items	26.09	-
9	**Profit before tax**	**690.27**	**422.32**
10	**Tax expense**		
10.1	Current tax (net of MAT credit)	209.81	116.48
10.2	Deferred tax charge / (credit)	15.46	(3.44)
	Total tax expense	**225.27**	**113.04**
11	**Net profit after tax**	**465.00**	**309.28**
12	**Earnings per share (Face value of Re. 1/- each)**		
12.1	Basic	3.66	2.46
12.2	Diluted	3.66	2.46

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended September 30, 2014

(Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn, except per share data)

Particulars	Q3 2014		Q3 2013		Q2 2014	
	INR	US$	INR	US$	INR	US$
Revenues	**1,685.15**	**27.81**	**1,604.23**	**25.89**	**1,606.68**	**26.85**
Cost of revenues	1,047.14	17.28	977.10	15.66	1,021.48	17.08
Gross margin	**638.01**	**10.53**	**627.13**	**10.23**	**585.20**	**9.77**
	37.86%		*39.09%*		*36.42%*	
SG & A						
Expenses	369.36	6.10	340.03	5.38	360.92	6.03
	21.92%		*21.20%*		*22.46%*	
EBITDA	**268.65**	**4.43**	**287.10**	**4.85**	**224.28**	**3.74**
	15.94%		*17.90%*		*13.96%*	
Depreciation and amortization	28.48	0.47	26.47	0.43	28.37	0.47
Income from operations	**240.17**	**3.96**	**260.63**	**4.42**	**195.91**	**3.27**
Interest expense	(0.26)	(0.00)	(0.28)	(0.00)	(0.22)	(0.00)
Other income (net)	40.69	0.67	(11.50)	(0.21)	13.95	0.24
Income before income tax	**280.60**	**4.63**	**248.85**	**4.21**	**209.64**	**3.51**
Income tax expense	98.50	1.63	68.31	1.16	70.37	1.18
Net earnings	**182.10**	**3.00**	**180.54**	**3.05**	**139.27**	**2.33**
Earnings per share (Face value of Re. 1/- each)						
Basic	1.43	0.02	1.43	0.02	1.09	0.02
Diluted	1.43	0.02	1.43	0.02	1.09	0.02

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Nine Months Ended September 30, 2014

(Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn, except per share data)

Particulars	Jan to Sep 14		Jan to Sep 13	
	INR	US$	INR	US$
Revenue	**4,854.48**	**79.97**	**4,305.03**	**74.98**
Cost of revenue	3,082.69	50.78	2,762.68	48.11
Gross margin	**1,771.79**	**29.19**	**1,542.35**	**26.87**
	36.50%		*35.83%*	
SG & A				
Expenses	1,092.17	17.99	1,048.76	18.27
	22.50%		*24.36%*	
EBITDA	**679.62**	**11.20**	**493.59**	**8.60**
	14.00%		*11.47%*	
Depreciation and amortization	83.84	1.39	73.53	1.28
Income from operations	**595.78**	**9.81**	**420.06**	**7.32**
Interest expense	(0.90)	(0.01)	(0.86)	(0.01)
Other income (net)	95.39	1.57	3.12	0.05
Income before income tax	**690.27**	**11.37**	**422.32**	**7.36**
Income tax expense	225.27	3.71	113.04	1.97
Net earnings	**465.00**	**7.66**	**309.28**	**5.39**
Earnings per share (Face value of Re. 1/- each)				
Basic	3.66	0.06	2.46	0.04
Diluted	3.66	0.06	2.46	0.04

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Consolidated Balance Sheet as at September 30, 2014 (As per Indian GAAP)

(Rs. in mn)

Particulars	As at September 30, 2014 (Unaudited)	As at September 30, 2013 (Unaudited)	As at June 30, 2014 (Unaudited)
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	126.63	125.92	126.63
Reserves and Surplus	2,246.35	2,114.18	2,247.29
Sub-Total Shareholder's Funds	**2,372.98**	**2,240.10**	**2,373.92**
Minority interest	-	-	-
Non-current liabilities			
Long-term borrowings	5.62	9.36	7.19
Other long term liabilities	4.48	4.28	4.48
Long-term provisions	85.32	73.67	80.80
Subtotal - Non-current liabilities	**95.42**	**87.31**	**92.47**
Current liabilities			
Trade payables	486.83	491.39	480.67
Other current liabilities	225.13	191.57	298.51
Short-term provisions	389.01	456.35	274.15
Subtotal- Current Liabilities	**1,100.97**	**1,139.31**	**1,053.33**
TOTAL - EQUITY AND LIABILITIES	**3,569.37**	**3,466.72**	**3,519.72**
ASSETS			
Non-current assets			
Fixed assets	446.95	458.74	459.27
Goodwill on consolidation	285.82	288.33	292.41
Non-current investments	0.03	0.03	0.03
Deferred tax assets (net)	39.86	59.08	38.96
Long-term loans and advances	73.67	86.47	74.37
Other non-current assets	73.22	274.92	76.27
Subtotal - Non- current assets	**919.55**	**1,167.57**	**941.31**
Current assets			
Current Investment	18.00	10.00	18.00
Trade receivables	1,121.87	1,076.74	1,199.82
Cash and bank balance	1,081.29	810.40	907.01
Short-term loans and advances	163.93	139.61	175.38
Other current assets	264.73	262.40	278.20
Subtotal - Current Assets	**2,649.82**	**2,299.15**	**2,578.41**
TOTAL – ASSETS	**3,569.37**	**3,466.72**	**3,519.72**

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For R SYSTEMS INTERNATIONAL LTD.
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Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended		
	Sep 30, 14	Sep 30, 13	June 30, 14
Revenues	100.00	100.00	100.00
Gross margin	37.86	39.09	36.42
SG & A	21.92	21.20	22.46
EBITDA	15.94	17.90	13.96
EBT	16.65	15.51	13.05
PAT	10.81	11.25	8.67

Revenue from Top 10 Clients	Quarter ended		
	Sep 30, 14	Sep 30, 13	June 30, 14
Top 10 Clients	32.18%	35.34%	32.04%
Top 5 Clients	20.78%	22.19%	19.87%
Top 3 Clients	15.35%	14.68%	14.11%
Largest Client	6.62%	5.30%	5.62%

Revenues by Geographies	Quarter ended		
	Sep 30, 14	Sep 30, 13	June 30, 14
USA	58.47%	57.60%	58.29%
Europe	21.11%	24.29%	22.60%
SEAC (South East Asia)	8.76%	9.82%	9.45%
India	7.12%	4.03%	5.88%
Others	4.54%	4.26%	3.78%
Total	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	Sep 30, 14	Sep 30, 13	June 30, 14
Onsite	79.44%	73.52%	74.89%
Offshore	75.99%	73.05%	74.62%
Blended	76.84%	73.16%	74.68%

Utilization (including trainees)	Quarter ended		
	Sep 30, 14	Sep 30, 13	June 30, 14
Onsite	79.44%	73.52%	74.89%
Offshore	70.84%	70.10%	70.78%
Blended	72.83%	70.87%	71.72%

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Consolidated Operational Data (Un-audited)

Human resources	As at		
	Sep 30, 14	Sep 30, 13	June 30, 14
Technical	**2,334**	**2,193**	**2,233**
Software services			
Onsite	333	306	319
Offshore	1,360	1,349	1,367
BPO			
Offshore	297	285	272
Onsite	205	195	184
Trainees	139	58	91
Support	**386**	**370**	**391**
Total count	**2,720**	**2,563**	**2,624**

(Rs. in mn, except DSO)

Key Balance Sheet Data	As At		
	Sep 30, 14	Sep 30, 13	June 30, 14
Receivable	1,121.87	1,076.74	1,199.82
Receivable in days ("DSO")	52	55	52
Total cash and bank balance*	1,169.80	1,087.54	995.13
Fixed assets	446.95	458.74	459.27
Shareholders' funds	2,372.98	2,240.10	2,373.92

*Including investments in liquid debt funds and fixed deposits with banks

Development/Service Centres Location	As on September 30, 2014	
	Covered areas in sq ft.	No. of seats
India		
Noida	76,980	1,434
Pune	25,190	457
Chennai	12,666	185
	114,836	2,076
USA		
Sacramento, CA	9,500	60
Salt Lake City, Utah	13,800	117
	23,300	177
South East Asia		
Singapore	5,544	56
Malaysia	3,365	31
Thailand	592	6
	9,501	93
Europe		
Netherlands	21,194	251
France	8,600	112
Romania	14,090	129
Poland	6,083	54
Moldova`	3,398	46
	53,365	592
Total	**201,002**	**2,938**

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Notes:

1. US$ equivalent figures are derived by converting the Rupee figures using average rates for profit & loss items and closing rate for balance sheet items.
2. Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period presentation.

About R Systems International Limited

R Systems International Limited founded in 1993, is one of the leading provider of outsourced product development and customer support services. We help companies to accelerate the speed to market their products and services with a high degree of time and cost predictability by using our proprietary pSuite framework. Clients can choose services specific to their needs from R Systems iPLM suite of services. We help companies to build scalable, configurable and secure products and applications; and help our clients to support their customers worldwide for products and services using our global delivery model. R Systems rapidly growing customer list includes a variety of Fortune 1000, government and mid-sized organizations across a wide range of industry verticals including Banking and Finance, High Technology, Independent Software Vendors, Telecom and Digital Media, Government, HealthCare, Manufacturing and Logistic Industries. R Systems maintains thirteen development and service centres and using our global delivery model we serve customers in USA, Europe, South America, India, the Far East, the Middle East and Africa.

Safe Harbor:

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For further information please contact:

Nand Sardana
Chief Financial Officer
Tel # 0120 – 4303506
Fax # 0120 – 4082699
Email: nand.sardana@rsystems.com

Kumar Gaurav
GM Finance & Accounts
Tel # 0120 – 4082650
Fax # 0120 – 4082699
Email: kumar.gaurav@rsystems.com

Vikash Kumar Tiwari
Company Secretary & Compliance Officer
Tel # 0120 - 4082633
Fax # 0120 – 4082699
Email: vikash.tiwari@rsystems.com

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