

R SYSTEMS INTERNATIONAL LIMITED
Registered Office : B - 104A, Greater Kailash - I, New Delhi - 110 048
Statement of Consolidated Unaudited Results for the Quarter and Half Year Ended 30th June 2012

PART I		(Rs. in lakhs, except per share data)						
		Three Months Ended			For the Half Year Ended			Year Ended
		30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	31.12.2011	
S. No.	Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
	(Refer notes below)							
1	Income from operations							
(a)	Income from operations	11,923.14	10,965.97	9,729.52	22,889.11	18,442.40	40,949.55	
(b)	Other operating income	18.67	25.49	5.65	44.16	16.03	147.13	
	Total income from operations	11,941.81	10,991.46	9,735.17	22,933.27	18,458.43	41,096.68	
2	Expenses							
(a)	Employee benefits expense	7,820.90	7,588.64	6,534.38	15,409.54	12,558.98	26,228.30	
(b)	Depreciation and amortisation expense	238.80	301.22	327.39	540.01	658.10	1,311.85	
(c)	Traveling and conveyance	844.23	562.19	699.13	1,406.42	1,312.87	2,720.63	
(d)	Communication costs	191.93	165.82	163.59	357.76	307.22	658.58	
(e)	Legal and professional expenses	756.84	726.52	722.96	1,483.36	1,432.65	3,222.70	
(f)	Provision for doubtful debts and advances (net)	(7.11)	189.06	(24.96)	181.95	184.90	669.69	
(g)	Other expenses	1,365.76	760.70	689.27	2,126.46	1,357.82	4,521.48	
	Total expenses	11,211.35	10,294.15	9,111.76	21,505.50	17,812.54	39,333.23	
3	Profit from operations before other income, finance costs and exceptional items (1-2)	730.46	697.31	623.41	1,427.77	645.89	1,763.45	
4	Other income	95.62	117.39	95.00	213.01	164.83	409.30	
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	826.08	814.70	718.41	1,640.78	810.72	2,172.75	
6	Finance costs	12.20	54.52	27.00	66.72	49.98	80.84	
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	813.88	760.18	691.41	1,574.06	760.74	2,091.91	
8	Exceptional items	-	-	-	-	-	-	
9	Profit from ordinary activities before tax (7+8)	813.88	760.18	691.41	1,574.06	760.74	2,091.91	
10	Tax expense							
	Current tax	35.40	310.26	220.76	345.66	299.45	928.00	
	MAT credit (refer note 7 below)	-	-	-	-	(20.50)	(70.56)	
	Deferred tax charge / (credit) (refer note 8 below)	237.13	(91.68)	(34.41)	145.45	(164.22)	(416.78)	
	Total tax expense / (credit)	272.53	218.58	186.35	491.11	114.73	440.66	
11	Net profit from ordinary activities after tax (9-10)	541.35	541.60	505.06	1,082.95	646.01	1,651.25	
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	
13	Net profit for the period / year (11-12)	541.35	541.60	505.06	1,082.95	646.01	1,651.25	
14	Share of profit / (loss) of associates	-	-	-	-	-	-	
15	Minority Interest	-	-	-	-	-	-	
16	Net profit after taxes, minority interest and share of profit of associates (13+14-15)	541.35	541.60	505.06	1,082.95	646.01	1,651.25	
17	Paid - up equity share capital (Face value Rs. 10/- each) (refer note 11 below)	1,237.58	1,234.02	1,224.30	1,237.58	1,224.30	1,224.30	
18	Reserves excluding Revaluation Reserves as at December 31, 2011	-	-	-	-	-	18,634.01	
19.i	Earnings per share before extraordinary items (par value of Rs. 10/- each) (not annualised)							
(a)	Basic	4.35	4.39	4.10	8.74	5.24	13.41	
(b)	Diluted	4.35	4.39	4.05	8.74	5.19	13.26	
19.ii	Earnings per share after extraordinary items (par value of Rs. 10/- each) (not annualised)							
(a)	Basic	4.35	4.39	4.10	8.74	5.24	13.41	
(b)	Diluted	4.35	4.39	4.05	8.74	5.19	13.26	

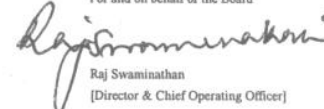
See accompanying notes to the financial results

PART II								
A PARTICULARS OF SHAREHOLDING								
1	Public Shareholding							
-	Number of shares	6,151,390	6,273,125	6,562,900	6,151,390	6,562,900	6,455,801	
-	Percentage of shareholding	49.41	50.53	53.28	49.41	53.28	52.41	
2	Promoters and Promoter Group Shareholding							
(a)	Pledged / encumbered							
-	Number of shares	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	6,298,296	6,140,981	5,753,986	6,298,296	5,753,986	5,861,085	
-	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	49.47	46.72	50.59	46.72	47.59	
B INVESTOR COMPLAINTS								
Pending at the beginning of the quarter		Nil						
Received during the quarter		3						
Disposed off during the quarter		3						
Remaining unresolved at the end of the quarter		Nil						

Notes:

- The results for the quarter and half year ended June 30, 2012 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 28, 2012.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter ended March 31, 2012, quarter and half year ended June 30, 2012 and June 30, 2011 and audit for the year ended December 31, 2011.
- In July 2011, the Company had received a termination notice and claims from a customer on account of damages and losses due to alleged delays in the project. The Company was in discussion with the customer and on prudent basis had considered full provision against amount recoverable and unbilled revenue while simultaneously pursuing recovery. During the quarter ended June 2012, the Company has signed a Settlement Agreement with the customer and received Rs. 166.73 lakhs (USD 300,000) towards the final settlement of its claims which has been recorded through reversal of provision for doubtful debts and advances.
- During the year ended December 31, 2011, the Company had acquired 100% shares of Computaris International Limited, UK (Computaris) on January 26, 2011 for a maximum consideration of GBP 9 million out of which GBP 4.25 million is the initial payout and balance is based on earn outs as well as fulfillment of certain condition by the erstwhile shareholders of Computaris over the next two years. As at December 31, 2011, the management assessed investment value at Rs 4,845.83 lakhs which represented consideration assessed as probable to be paid as on that date and accordingly recorded the goodwill on acquisition amounting to Rs. 2,701.01 lakhs. During the quarter ended March 31, 2012, on fulfillment of certain conditions stipulated in the Share Purchase Agreement, the management has re-assessed and increased the investment value by Rs. 26.23 lakhs which represents the additional consideration assessed as probable to be paid over the period.
- During the year ended December 31, 2010, the Board of Directors of the Company and R Systems NV, Belgium (wholly owned subsidiary of the Company) had approved the liquidation of R Systems NV, Belgium subject to the required statutory and corporate approvals in India and Belgium. The Company is in the process of obtaining relevant regulatory approvals.
- During the year ended December 31, 2010, the Board of Directors had approved a scheme for corporate restructuring of its two subsidiaries based in Singapore viz ECnet Limited and R Systems (Singapore) Pte. Limited subject to applicable corporate and other regulatory approvals in India and Singapore. The proposed corporate restructuring involves conversion of loan by the Company to ECnet Limited into equity investment and thereafter amalgamation of both these subsidiaries. During the year ended December 31, 2011, the loan to ECnet Limited has been converted into equity investment and relevant regulatory approvals for the amalgamation of both the subsidiaries are in process.
- MAT Credit during the year ended December 31, 2011 includes Rs. 81.56 lakhs pertaining to earlier periods.
- Deferred tax credit for the year ended December 31, 2011 includes Rs 20.59 lakhs pertaining to earlier periods.
- Final Dividend of Rs 3.60 per share (36% on equity share of par value of Rs 10/-) for the year ended December 31, 2011 was approved by the shareholders at the annual general meeting held on May 04, 2012 and same was paid during the quarter ended June 30, 2012. Of this Rs. 1.70 lakhs remains unclaimed as on June 30, 2012.
- The Board of Directors at its meeting held on May 18, 2012 has declared a special dividend in the form of interim dividend of Rs. 16/- per equity shares (160% on equity share of par value of Rs 10/-). The said interim dividend was paid to the respective shareholders during the quarter ended June 30, 2012. Of this Rs. 13.24 lakhs remains unclaimed as on June 30, 2012.
- During the half year ended June 30, 2012, the Company has issued 132,800 equity shares of Rs. 10 each, of which 35,580 equity shares have been issued during the current quarter, pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
- Refer Annexure A for the consolidated statement of assets and liabilities.
- Refer Annexure B for segment wise consolidated revenue, results and capital employed.
- 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


Raj Swaminathan
[Director & Chief Operating Officer]

S.R. Batliboi & Co.

Place: NOIDA
Date: July 28, 2012

For Identification

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For R SYSTEMS INTERNATIONAL LTD.


Company Secretary

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R SYSTEMS INTERNATIONAL LIMITED		Annexure A	
Consolidated Statement of Assets and Liabilities		(Rs. in lakhs)	
Particulars	As at Half Year Ended 30.06.2012	As at Year Ended 31.12.2011	
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1,237.58	1,224.30	
(b) Reserves and surplus	17,821.26	18,634.01	
Sub total - Shareholders' fund	19,058.84	19,858.31	
2 Minority interest			
3 Non-current liabilities			
(a) Long-term borrowings	33.54	38.39	
(b) Other long-term liabilities	72.81	750.46	
(c) Long-term provisions	638.94	612.89	
Sub total - Non-current liabilities	745.29	1,401.74	
4 Current liabilities			
(a) Trade payables	3,667.15	3,821.35	
(b) Other current liabilities	2,701.27	3,196.36	
(c) Short-term provisions	1,462.15	2,501.29	
Sub total - Current liabilities	7,830.57	9,519.00	
TOTAL - EQUITY AND LIABILITIES	27,634.70	30,779.05	
B ASSETS			
1 Non-current assets			
(a) Fixed assets	3,799.32	4,001.01	
(b) Goodwill on consolidation	2,701.01	2,701.01	
(c) Non-current investments	0.25	0.25	
(d) Deferred tax assets (net)	485.74	634.33	
(e) Long-term loans and advances	781.39	891.79	
(f) Other non-current assets	912.74	1,232.35	
Sub total - Non-current assets	8,680.45	9,460.74	
2 Current assets			
(a) Trade receivables	9,285.98	10,531.55	
(b) Cash and cash equivalent	6,504.86	8,291.14	
(c) Short-term loans and advances	1,105.95	808.20	
(d) Other current assets	2,057.46	1,687.42	
Sub total - Current assets	18,954.25	21,318.31	
TOTAL - ASSETS	27,634.70	30,779.05	

S.R. Batliboi & Co.

For Identification



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For R SYSTEMS INTERNATIONAL LTD.

[Signature]
Company Secretary

R SYSTEMS INTERNATIONAL LIMITED
Segment Wise Consolidated Revenue, Results and Capital Employed

Annexure B

S.No.	Particulars	Three Months Ended			For the Half Year Ended		Year Ended
		30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	31.12.2011
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue						
	- Software development and customisation services	9,807.98	8,726.86	8,265.29	18,534.84	15,406.80	34,099.29
	- Business process outsourcing services	2,153.84	2,274.27	1,495.59	4,428.11	3,092.52	6,974.83
	Less: Elimination of intersegment sales	38.68	35.16	31.36	73.84	56.92	124.57
	Income from operations	11,923.14	10,965.97	9,729.52	22,889.11	18,442.40	40,949.55
2	Segment results before tax and interest						
	- Software development and customisation services	771.99	674.58	780.22	1,446.57	890.00	1,926.68
	- Business process outsourcing services	96.99	122.11	(46.47)	219.10	(51.80)	135.26
	Total	868.98	796.69	733.75	1,665.67	838.20	2,061.94
	(i) Interest expense	(2.15)	(1.70)	(1.74)	(3.85)	(3.52)	(6.69)
	(ii) Interest income	95.62	117.39	95.00	213.01	164.83	409.30
	(iii) Other unallocable income	-	-	5.65	-	16.03	147.13
	(iv) Other unallocable expenses	(148.57)	(152.20)	(141.25)	(300.77)	(254.80)	(519.77)
	Profit before tax	813.88	760.18	691.41	1,574.06	760.74	2,091.91
3	Capital employed						
	- Software development and customisation services	14,949.43	14,200.31	14,470.68	14,949.43	14,470.68	14,759.91
	- Business process outsourcing services	(1,158.95)	(1,291.37)	(2,430.30)	(1,158.95)	(2,430.30)	(1,914.62)
	- Unallocated corporate	5,268.36	7,548.95	6,714.32	5,268.36	6,714.32	7,013.02
	Total capital employed	19,058.84	20,457.89	18,754.70	19,058.84	18,754.70	19,858.31

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Company Secretary

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