

R SYSTEMS INTERNATIONAL LIMITED

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

Statement of Standalone Audited Results for the Quarter and Half Year Ended 30th June 2012

PART I		(Rs. in lakhs, except per share data)					
S. No.	Particulars	Three Months Ended			Half Year Ended		Year Ended
		30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	31.12.2011
	(Refer notes below)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from operations						
(a)	Income from operations	6,108.09	5,299.64	4,604.79	11,407.73	8,891.71	19,168.61
(b)	Other operating income	9.88	5.10	24.03	14.98	49.17	122.24
	Total income from operations	6,117.97	5,304.74	4,628.82	11,422.71	8,940.88	19,290.85
2	Expenses						
(a)	Employee benefits expense	3,720.78	3,653.45	3,223.71	7,374.23	6,376.78	13,006.45
(b)	Depreciation and amortisation expense	142.97	208.78	220.68	351.75	438.16	881.24
(c)	Traveling and conveyance	505.29	367.14	441.96	872.43	824.06	1,685.07
(d)	Communication costs	109.25	112.36	112.18	221.61	213.80	443.00
(e)	Legal and professional expenses	160.12	123.41	153.70	283.53	264.13	538.54
(f)	Provision for doubtful debts and advances (net)	(92.31)	209.13	(32.47)	116.82	140.94	465.17
(g)	Other expenses	748.04	185.26	334.01	933.30	615.62	1,915.54
	Total expenses	5,294.14	4,859.53	4,453.77	10,153.67	8,873.49	18,935.01
3	Profit from operations before other income, finance costs and exceptional items (1-2)	823.83	445.21	175.05	1,269.04	67.39	355.84
4	Other income	90.93	113.05	113.43	203.98	201.31	477.18
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	914.76	558.26	288.48	1,473.02	268.70	833.02
6	Finance costs	3.47	10.12	16.17	15.59	29.68	42.67
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	909.29	548.14	272.31	1,457.43	239.02	790.35
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	909.29	548.14	272.31	1,457.43	239.02	790.35
10	Tax expense						
	Current tax	95.00	266.20	130.50	361.20	156.50	547.80
	MAT credit (refer note 7 below)	-	-	-	-	(20.50)	(70.56)
	Deferred tax charge / (credit) (refer note 8 below)	236.27	(109.05)	(41.45)	127.22	(165.52)	(333.40)
	Total tax expense / (credit)	331.27	157.15	89.05	488.42	(29.52)	143.84
11	Net profit from ordinary activities after tax (9-10)	578.02	390.99	183.26	969.01	268.54	646.51
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net profit for the period / year (11-12)	578.02	390.99	183.26	969.01	268.54	646.51
14	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
15	Reserves excluding Revaluation Reserves as at December 31, 2011	-	-	-	-	-	17,911.31
16.i	Earnings per share before extraordinary items (par value of Rs. 10/- each) (not annualised)						
(a)	Basic	4.65	3.17	1.49	7.82	2.18	5.25
(b)	Diluted	4.65	3.17	1.47	7.82	2.16	5.19
16.ii	Earnings per share after extraordinary items (par value of Rs. 10/- each) (not annualised)						
(a)	Basic	4.65	3.17	1.49	7.82	2.18	5.25
(b)	Diluted	4.65	3.17	1.47	7.82	2.16	5.19

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

Particulars		Three Months Ended
		30.06.2012
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.
- An audit has been completed by the Statutory Auditors for the quarter ended March 31, 2012, quarter and half year ended June 30, 2012 and June 30, 2011 and 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 the consideration assessed as probable to be paid as on that date. 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 standalone statement of assets & liabilities.
- Refer Annexure B for segment wise standalone 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.

Place: NOIDA
Date: July 28, 2012

S.R. Batliboj & Co.

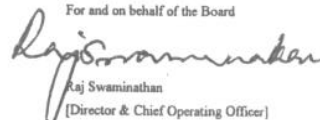
For Identification

CERTIFIED TRUE COPY

For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

For and on behalf of the Board


 Raj Swaminathan
 [Director & Chief Operating Officer]

Page 2 of 22

R SYSTEMS INTERNATIONAL LIMITED
Standalone Statement of Assets & 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	16,708.17	17,911.31
	Sub total - Shareholders' fund	17,945.75	19,135.61
2	Non-current liabilities		
	(a) Long-term borrowings	33.54	38.39
	(b) Other long-term liabilities	62.15	740.98
	(c) Long-term provisions	638.94	612.89
	Sub total - Non-current liabilities	734.63	1,392.26
3	Current liabilities		
	(a) Trade payables	1,186.00	1,078.15
	(b) Other current liabilities	2,132.92	2,170.29
	(c) Short-term provisions	1,059.55	1,672.11
	Sub total - Current liabilities	4,378.47	4,920.55
	TOTAL - EQUITY & LIABILITIES	23,058.85	25,448.42
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	3,156.78	3,276.16
	(b) Non-current investments	8,163.90	8,137.67
	(c) Deferred tax assets (net)	426.51	553.73
	(d) Long-term loans and advances	691.59	818.09
	(e) Other non-current assets	826.19	1,123.53
	Sub total - Non-current assets	13,264.97	13,909.18
2	Current assets		
	(a) Trade receivables	5,603.04	5,225.22
	(b) Cash and cash equivalent	2,900.65	5,140.51
	(c) Short-term loans and advances	646.74	417.84
	(d) Other current assets	643.45	755.67
	Sub total - Current assets	9,793.88	11,539.24
	TOTAL - ASSETS	23,058.85	25,448.42

S.R. Batliboi & Co.

For Identification



CERTIFIED TRUE COPY

For R SYSTEMS INTERNATIONAL LTD.

[Signature]
 Company Secretary

R SYSTEMS INTERNATIONAL LIMITED							Annexure B
Segment Wise Standalone Revenue, Results and Capital Employed							(Rs. in lakhs)
S. No.	Particulars	Three Months Ended			Half Year Ended		Year Ended
		30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	31.12.2011
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue						
	- Software development and customisation services	5,406.19	4,554.30	4,069.65	9,960.49	7,836.94	16,828.72
	- Business process outsourcing services	701.90	745.34	535.14	1,447.24	1,054.77	2,339.89
	Income from operations	6,108.09	5,299.64	4,604.79	11,407.73	8,891.71	19,168.61
2	Segment results before tax and interest						
	- Software development and customisation services	954.49	408.09	285.62	1,362.58	268.81	760.43
	- Business process outsourcing services	(26.41)	138.82	(21.45)	112.41	(43.44)	(105.03)
	Total	928.08	546.91	264.17	1,474.99	225.37	655.40
	(i) Interest expense	(2.07)	(1.61)	(1.61)	(3.68)	(3.24)	(6.26)
	(ii) Interest income	90.93	113.05	92.64	203.98	160.33	398.55
	(iii) Other unallocable income	-	-	24.03	-	49.17	122.24
	(iv) Other unallocable expenses	(107.65)	(110.21)	(106.92)	(217.86)	(192.61)	(379.58)
	Profit before tax	909.29	548.14	272.31	1,457.43	239.02	790.35
3	Capital employed						
	- Software development and customisation services	15,083.45	14,652.16	15,100.52	15,083.45	15,100.52	14,533.75
	- Business process outsourcing services	(1,821.27)	(1,784.48)	(2,740.01)	(1,821.27)	(2,740.01)	(2,488.87)
	- Unallocated corporate	4,683.57	6,772.20	6,912.47	4,683.57	6,912.47	7,090.73
	Total capital employed	17,945.75	19,639.88	19,272.98	17,945.75	19,272.98	19,135.61

S.R. Batliboi & Co.

For Identification



CERTIFIED TRUE COPY
For R SYSTEMS INTERNATIONAL LTD.


Company Secretary

Page 4 of 22