

R SYSTEMS INTERNATIONAL LIMITED
Registered Office : B - 104A, Greater Kailash - I, New Delhi - 110 045
Statement of Consolidated Unaudited Results for the Quarter and Half Year Ended June 30, 2013

PART I		(Rs. in lakhs, except per share data)						
		Three Months Ended			Half Year Ended		Year ended	
		30.06.2013	31.03.2013	30.06.2012	30.06.2013	30.06.2012	31.12.2012	
S.No.	Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
	(Refer notes below)							
1	Income from operations							
(a)	Income from operations	14,521.71	12,486.29	11,923.14	27,008.00	22,889.11	46,500.88	
(b)	Other operating income	23.48	27.98	18.67	51.46	44.16	77.13	
	Total income from operations	14,545.19	12,514.27	11,941.81	27,059.46	22,933.27	46,578.01	
2	Expenses							
(a)	Employee benefits expense	8,831.79	8,425.34	7,820.90	17,257.13	15,409.54	31,332.44	
(b)	Depreciation and amortisation expense	257.49	213.14	238.80	470.63	540.01	1,008.94	
(c)	Traveling and conveyance	782.36	917.30	844.23	1,699.66	1,406.42	2,962.72	
(d)	Communication costs	194.96	187.66	191.93	382.62	357.76	711.81	
(e)	Legal and professional expenses (including subcontract expenses)	1,442.18	1,206.91	756.84	2,649.09	1,483.36	3,384.40	
(f)	Provision for doubtful debts and advances (net)	154.74	194.71	(7.11)	349.45	181.95	209.41	
(g)	Other expenses (refer note 13 below)	1,802.00	885.15	1,365.76	2,687.15	2,159.29	4,438.77	
	Total expenses	13,465.52	12,030.21	11,211.35	25,495.73	21,538.33	44,048.49	
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,079.67	484.06	730.46	1,563.73	1,394.94	2,529.52	
4	Other income	95.51	112.51	95.62	208.02	213.01	423.31	
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,175.18	596.57	826.08	1,771.75	1,607.95	2,952.83	
6	Finance costs	19.73	17.29	12.20	37.02	33.89	67.47	
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,155.45	579.28	813.88	1,734.73	1,574.06	2,885.36	
8	Exceptional items	-	-	-	-	-	-	
9	Profit from ordinary activities before tax (7+8)	1,155.45	579.28	813.88	1,734.73	1,574.06	2,885.36	
10	Tax expense							
	Current tax (refer note 12 and 13 below)	378.28	205.51	35.40	583.79	345.66	949.86	
	MAT credit (refer note 12 below)	-	(123.21)	-	(123.21)	-	-	
	Deferred tax charge / (credit) (refer note 13 below)	9.34	(22.57)	237.13	(13.23)	145.45	99.30	
	Total tax expense	387.62	59.73	272.53	447.35	491.11	1,049.16	
11	Net profit from ordinary activities after tax (9-10)	767.83	519.55	541.35	1,287.38	1,082.95	1,836.20	
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	
13	Net profit for the period / year (11-12)	767.83	519.55	541.35	1,287.38	1,082.95	1,836.20	
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)	767.83	519.55	541.35	1,287.38	1,082.95	1,836.20	
17	Paid - up equity share capital (Face value Rs. 10/- each) (refer note 10 below)	1,255.92	1,249.69	1,237.58	1,255.92	1,237.58	1,244.68	
18	Reserves excluding Revaluation Reserves as at December 31, 2012	-	-	-	-	-	18,215.30	
19.i	Earnings per share before extraordinary items (par value of Rs. 10/- each) (not annualised)							
(a) Basic		6.09	4.14	4.35	10.24	8.74	14.76	
(b) Diluted		6.09	4.14	4.35	10.24	8.74	14.76	
19.ii	Earnings per share after extraordinary items (par value of Rs. 10/- each) (not annualised)							
(a) Basic		6.09	4.14	4.35	10.24	8.74	14.76	
(b) Diluted		6.09	4.14	4.35	10.24	8.74	14.76	

See accompanying notes to the financial results.

PART II								
A	PARTICULARS OF SHAREHOLDING							
1	Public Shareholding							
	- Number of shares	6,191,423	6,129,112	6,151,390	6,191,423	6,151,390	6,146,127	
	- Percentage of shareholding	49.01	48.76	49.41	49.01	49.41	49.09	
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	6,441,696	6,441,696	6,298,296	6,441,696	6,298,296	6,374,581	
	- 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	
	- Percentage of shares (as a % of the total share capital of the Company)	50.99	51.24	50.59	50.99	50.59	50.91	
Particulars		Three Months Ended						
		30.06.2013						
B	INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	Nil						
	Received during the quarter	5						
	Disposed off during the quarter	5						
	Remaining unresolved at the end of the quarter	Nil						

Notes:

- The results for the quarter and half year ended June 30, 2013 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 27, 2013.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditors for the quarter and half year ended June 30, 2013 and June 30, 2012, for the quarter ended March 31, 2013 and audit for the year ended December 31, 2012.
- The Board of Directors has declared an interim dividend of Rs. 2.50 per equity share, payable to all the shareholders as per record date of August 05, 2013 confirmation for which will be taken in next Annual General Meeting. The said interim dividend will be paid to the shareholders on August 19, 2013.
- During the quarter ended March 31, 2013, ECnet Limited (a Singapore based subsidiary of the Company) acquired ERP business from another company for consideration based on fulfillment of certain conditions and the above said acquisition was recorded on the basis of initial management assessment of the consideration likely to be paid of SGD 0.85 mn i.e. Rs 396.97 lakhs (restated as at June 30, 2013). There is no change in management assessment as at June 30, 2013.
- 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. As at December 31, 2012, the management has reassessed the investment value at Rs. 4,390.22 lakhs basis the best estimates of final earn out amount payable to the erstwhile shareholders of Computaris and the goodwill on acquisition amounts to Rs. 2,792.07 lakhs (restated as at June 30, 2013). There is no change in management assessment as at June 30, 2013.
- During the year ended December 31, 2012, 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 above said liquidation has been completed on June 24, 2013, in compliance with the applicable laws of India and Belgium.
- 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 involving conversion of loan by the Company to ECnet Limited into equity investment and thereafter amalgamation of both these subsidiaries. The loan by the Company to ECnet Limited was converted into equity investment in December 2011 and as at December 31, 2012, the Company was in process of applying for relevant corporate and regulatory approvals for the amalgamation of both the subsidiaries. During the quarter ended March 31, 2013, the Board of Directors has further reassessed the synergies arising out of proposed amalgamation and approved modification of the scheme of corporate restructuring to convert the loans given by R Systems (Singapore) Pte Limited to ECnet Limited into equity instead of merging both companies. During the quarter ended June 30, 2013, the above said loan amounting to Rs 1,223.61 lakhs (SGD 2.78 mn) given by R Systems (Singapore) Pte. Limited to ECnet Limited has been converted into equity investment in ECnet Limited.
- As per the approval accorded by the Board of Directors at its meeting held on July 29, 2011, the closure of Company's non-operational Branch Office in London, United Kingdom, has been completed during the quarter ended June 30, 2013, in compliance with the applicable laws of India and United Kingdom.
- During the year ended December 31, 2012, one of the subsidiaries of the Company received a claim for penalty from one of its customers and recorded provision of Rs 511.69 lakhs (restated as at June 30, 2013) towards such claim. The subsidiary had subcontracted certain part of its scope of services to one of its vendors and basis the contractual terms claimed an equivalent amount from such vendor. However, pending acceptance of the claim, the recoverable for the amount claimed from the vendor has not been recorded in the results. There is no change in management assessment as at June 30, 2013.
- During the half year ended June 30, 2013, the Company has issued 112,411 equity shares of Rs. 10 each, of which 62,311 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.
- The Board of Directors had recommended a final dividend of Rs. 7.50/- per share for the year ended December 31, 2012, at its meeting held on February 09, 2013. This was in addition to a special interim dividend of Rs. 16/- per equity shares paid in June 2012. These dividends have been approved by the shareholders at Annual General Meeting held on May 11, 2013. Out of these, Rs. 3.01 lakhs of final dividend and Rs. 4.49 lakhs of special interim dividend remain unclaimed as at June 30, 2013.
- Current tax and MAT credit during the quarter ended March 31, 2013 and half year ended June 30, 2013 includes tax credit of Rs. 15.61 lakhs and Rs. 123.21 lakhs respectively pertaining to earlier periods.
- Expenses pertaining to prior period during the year ended December 31, 2012: current tax Rs 4.32 lakhs, deferred tax charge Rs 42.78 lakhs and other expenses of Rs 32.84 lakhs.
- 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
Raj Swaminathan
(Director & Chief Operating Officer)

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S.R. Battiboi & Co. LLP, Gurgaon

Place: NOIDA
Date: July 27, 2013

For R SYSTEMS INTERNATIONAL LTD.

for identification

[Signature]
Company Secretary

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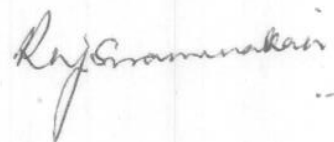
R SYSTEMS INTERNATIONAL LIMITED			Annexure A
Consolidated Statement of Assets and Liabilities			(Rs. in lakhs)
Particulars	As at Half Year Ended 30.06.2013	As at Year Ended 31.12.2012	
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1,255.92	1,244.68	
(b) Reserves and surplus	19,655.32	18,215.30	
Sub total - Shareholders' fund	20,911.24	19,459.98	
2 Minority interest	-	-	
3 Non-current liabilities			
(a) Long-term borrowings	94.04	34.47	
(b) Other long-term liabilities	44.10	72.85	
(c) Long-term provisions	832.41	712.41	
Sub total - Non-current liabilities	970.55	819.73	
4 Current liabilities			
(a) Trade payables	4,358.10	3,961.19	
(b) Other current liabilities	2,360.84	2,004.57	
(c) Short-term provisions	2,978.32	3,509.67	
Sub total - Current liabilities	9,697.26	9,475.43	
TOTAL - EQUITY AND LIABILITIES	31,579.05	29,755.14	
B ASSETS			
1 Non-current assets			
(a) Fixed assets (net)	4,211.14	3,870.69	
(b) Goodwill on consolidation	2,792.07	2,739.97	
(c) Non-current investments	0.25	0.25	
(d) Deferred tax assets (net)	565.04	548.28	
(e) Long-term loans and advances	883.59	1,047.88	
(f) Other non-current assets	938.96	802.97	
Sub total - Non-current assets	9,391.05	9,010.04	
2 Current assets			
(a) Current investments	100.00	-	
(b) Trade receivables	11,055.21	9,806.33	
(c) Cash and cash equivalents	7,262.13	8,145.56	
(d) Short-term loans and advances	1,387.00	1,073.45	
(e) Other current assets	2,383.66	1,719.76	
Sub total - Current assets	22,188.00	20,745.10	
TOTAL - ASSETS	31,579.05	29,755.14	

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

For R SYSTEMS INTERNATIONAL LTD.


Company Secretary



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

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Half Year Ended		Year Ended
		30.06.2013	31.03.2013	30.06.2012	30.06.2013	30.06.2012	31.12.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue						
	- Information technology services	11,846.14	10,042.57	9,807.98	21,888.71	18,534.84	37,603.24
	- Business process outsourcing services	2,750.60	2,481.81	2,153.84	5,232.41	4,428.11	9,048.56
	Less: Elimination of intersegment sales	75.03	38.09	38.68	113.12	73.84	150.92
	Income from operations	14,521.71	12,486.29	11,923.14	27,008.00	22,889.11	46,500.88
2	Segment results before tax and interest						
	- Information technology services	1,001.82	455.67	771.99	1,457.49	1,446.57	2,371.72
	- Business process outsourcing services	205.21	161.50	96.99	366.71	219.10	716.29
	Total	1,207.03	617.17	868.98	1,824.20	1,665.67	3,088.01
	(i) Interest expense	(2.75)	(2.99)	(2.15)	(5.74)	(3.85)	(8.60)
	(ii) Interest income	95.51	112.51	95.62	208.02	213.01	423.31
	(iii) Other unallocable expenses	(144.34)	(147.41)	(148.57)	(291.75)	(300.77)	(617.36)
	Profit before tax	1,155.45	579.28	813.88	1,734.73	1,574.06	2,885.36
3	Capital employed						
	- Information technology services	15,000.94	14,266.88	14,949.43	15,000.94	14,949.43	13,658.70
	- Business process outsourcing services	(219.42)	(533.70)	(1,158.95)	(219.42)	(1,158.95)	(657.94)
	- Unallocated corporate	6,129.72	5,850.58	5,268.36	6,129.72	5,268.36	6,459.22
	Total capital employed	20,911.24	19,583.76	19,058.84	20,911.24	19,058.84	19,459.98

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

Rajiv Kumar

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For R SYSTEMS INTERNATIONAL LTD.

[Signature]
Company Secretary