

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 (Refer notes)	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	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	17,846.70	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

B	Particulars	Three Months Ended
		30.09.2014
	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

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. Batliboi & Associates LLP, Gurgaon

for Identification

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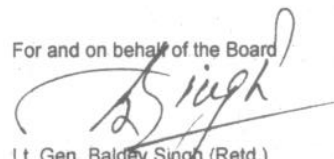
Notes:

- 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 Nederland 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

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

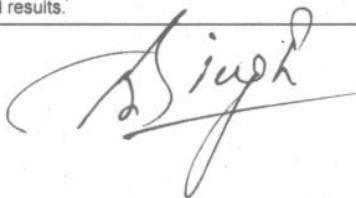
(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.12.2013
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(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.

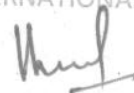
** After considering exceptional item as explained in note 6 to the audited financial results.

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Company Secretary