

R SYSTEMS INTERNATIONAL LIMITED
Registered Office: B - 104A, Greater Kailash - I, New Delhi - 110 048
Audited Consolidated Financial Results for the Year Ended December 31, 2012

PART I S. No.		(Rs. in lakhs, except per share data)				
		Three Months Ended			Year Ended	
		31.12.2012 (Audited) Refer note 16	30.09.2012 (Unaudited)	31.12.2011 (Audited) Refer note 16	31.12.2012 (Audited)	31.12.2011 (Audited)
		(Refer notes below)				
1	Income from operations					
(a)	Income from operations	12,160.27	11,451.50	11,267.95	46,500.88	40,949.53
(b)	Other operating income	28.92	4.04	118.77	77.13	147.13
	Total income from operations	12,189.19	11,455.54	11,386.72	46,578.01	41,096.68
2	Expenses					
(a)	Employee benefits expense	7,959.81	7,963.09	7,148.96	31,332.44	26,228.30
(b)	Depreciation and amortisation expense	225.99	242.95	330.62	1,008.94	1,311.85
(c)	Traveling and conveyance	832.18	724.12	710.90	2,962.72	2,720.63
(d)	Communication costs	182.02	172.03	183.00	711.81	658.58
(e)	Legal and professional expenses	1,128.76	776.67	970.76	3,388.80	3,222.70
(f)	Provision for doubtful debts and advances (net)	3.25	24.21	219.83	209.41	579.24
(g)	Other expenses (refer note 11 below)	1,427.06	848.01	1,284.73	4,434.37	4,611.93
	Total expenses	11,759.07	10,751.08	10,848.80	44,048.49	39,333.23
3	Profit from operations before other income, finance costs and exceptional items (1-2)	430.12	704.46	537.92	2,529.52	1,763.45
4	Other income	111.88	98.43	125.53	423.31	409.30
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	542.00	802.89	663.45	2,952.83	2,172.75
6	Finance costs	14.09	19.50	15.10	67.47	80.84
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	527.91	783.39	648.35	2,885.36	2,091.91
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	527.91	783.39	648.35	2,885.36	2,091.91
10	Tax expense					
	Current tax (refer note 11 below)	256.04	348.16	336.75	949.86	928.00
	MAT credit (refer note 12 below)	-	-	(50.06)	-	(70.56)
	Deferred tax charge / (credit) (refer note 11 and 12 below)	(18.76)	(27.39)	(190.22)	99.30	(416.78)
	Total tax expense	237.28	320.77	96.47	1,049.16	440.66
11	Net profit from ordinary activities after tax (9-10)	290.63	462.62	543.88	1,836.20	1,651.25
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	290.63	462.62	543.88	1,836.20	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)	290.63	462.62	543.88	1,836.20	1,651.25
17	Paid - up equity share capital (Face value Rs. 10/- each) (refer note 13 below)	1,244.68	1,241.68	1,224.30	1,244.68	1,224.30
18	Reserves excluding Revaluation Reserves as at December 31, 2012 and December 31, 2011	-	-	-	18,215.30	18,634.01
19.i	Earnings per share before extraordinary items (par value of Rs. 10/- each) (not annualised)					
(a)	Basic	2.33	3.71	4.42	14.76	13.41
(b)	Diluted	2.33	3.71	4.37	14.76	13.26
19.ii	Earnings per share after extraordinary items (par value of Rs. 10/- each) (not annualised)					
(a)	Basic	2.33	3.71	4.42	14.76	13.41
(b)	Diluted	2.33	3.71	4.37	14.76	13.26

See accompanying notes to the financial results.

PART II						
A PARTICULARS OF SHAREHOLDING						
1	Public Shareholding					
	- Number of shares	6,146,127	6,129,669	6,455,801	6,146,127	6,455,801
	- Percentage of shareholding	49.09	49.07	52.41	49.09	52.41
2	Promoters and Promoter Group Shareholding					
(a)	Pledged / encumbered					
	- Number of shares	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
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
(b)	Non-encumbered					
	- Number of shares	6,374,581	6,361,067	5,861,085	6,374,581	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
	- Percentage of shares (as a % of the total share capital of the Company)	50.91	50.93	47.59	50.91	47.59
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 year ended December 31, 2012 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 09, 2013.
- The Board of Directors has recommended a final dividend of Rs. 7.50 per share, subject to the approval of the shareholders at the forthcoming Annual General Meeting. This is in addition to a special interim dividend of Rs. 16/- per equity shares paid in June 2012, confirmation to which will be taken in forthcoming Annual General Meeting.
- An audit has been completed by the statutory auditors for the year ended December 31, 2012 and December 31, 2011. There is no qualification in the Auditors' report on these financial results.
- For comparative purpose quarter ended September 30, 2012 is also presented which was reviewed by the Statutory Auditors.
- 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. As at December 31, 2012, the management has reassessed the investment value at Rs. 4,390.22 lakhs basis the final earn out amount payable to the erstwhile shareholders of Computaris and the goodwill on acquisition amounts to Rs. 2,739.97 lakhs.
- During the year ended December 31, 2012, one of the subsidiary of the Company received a claim for penalty from one of its customer and has recorded provision of Rs. 443.12 lakhs towards such claim. The subsidiary had subcontracted certain part of its scope of services to one of its vendors and basis the contractual terms has 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.
- During the quarter ended December 31, 2012, the Company has incorporated a wholly owned subsidiary Systemes R. International Lite in Canada on October 29, 2012 and net result of the subsidiary is included in the above results.
- 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 had been converted into equity investment and relevant regulatory approvals for the amalgamation of both the subsidiaries are in process.
- 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.
- Expenses pertaining to prior period during the year ended December 31, 2011: MAT credit Rs. 81.56 lakhs and deferred tax credit of Rs. 20.59 lakhs.
- During the year ended December 31, 2012, the Company has issued 203,822 equity shares of Rs. 10 each at an exercise price of Rs. 120.70 per share, of which 29,972 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 & liabilities.
- Refer Annexure B for segment wise consolidated revenue, results and capital employed.
- Figures for the quarter ended December 31, 2012 and December 31, 2011 are the equivalent to the difference between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- One of the subsidiary of Company has received a notification from a customer for a possible claim of Rs. 247.76 lakhs. The subsidiary is assessing the notification and pending such assessment, no provision has been recorded in the results.
- Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period presentation.

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Place: NOIDA
Date: February 09, 2013

For R SYSTEMS INTERNATIONAL LTD.

S.R. Batliboi & Co., Gurgaon

Company Secretary For Identification

For and on behalf of the Board

Dr. Gen. Baldev Singh (Retd.)
(President & Senior Executive Director)

Page 8 of 24

R SYSTEMS INTERNATIONAL LIMITED**Consolidated Statement of Assets and Liabilities**

(Rs. in lakhs)

Particulars		As at Year Ended 31.12.2012	As at Year Ended 31.12.2011
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
(a)	Share capital	1,244.68	1,224.30
(b)	Reserves and surplus	18,215.30	18,634.01
	Sub total - Shareholders' fund	19,459.98	19,858.31
2	Minority interest		
3	Non-current liabilities		
(a)	Long-term borrowings	34.47	38.39
(b)	Other long-term liabilities	72.85	750.46
(c)	Long-term provisions	712.41	612.89
	Sub total - Non-current liabilities	819.73	1,401.74
4	Current liabilities		
(a)	Trade payables	3,961.19	3,821.35
(b)	Other current liabilities	2,004.57	3,196.36
(c)	Short-term provisions	3,509.67	2,501.29
	Sub total - Current liabilities	9,475.43	9,519.00
	TOTAL - EQUITY AND LIABILITIES	29,755.14	30,779.05
B	ASSETS		
1	Non-current assets		
(a)	Fixed assets (net)	3,870.69	4,001.01
(b)	Goodwill on consolidation	2,739.97	2,701.01
(c)	Non-current investments	0.25	0.25
(d)	Deferred tax assets (net)	548.28	634.33
(e)	Long-term loans and advances	1,047.88	904.71
(f)	Other non-current assets	802.97	1,232.35
	Sub total - Non- current assets	9,010.04	9,473.66
2	Current assets		
(a)	Trade receivables	9,806.33	10,531.55
(b)	Cash and cash equivalent	8,145.56	8,291.14
(c)	Short-term loans and advances	1,073.45	795.28
(d)	Other current assets	1,719.76	1,687.42
	Sub total - Current assets	20,745.10	21,305.39
	TOTAL - ASSETS	29,755.14	30,779.05

S.R. Batliboi & Co., Gurgaon

For Identification

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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			Year Ended	
		31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011
		(Audited) Refer note 16	(Unaudited)	(Audited) Refer note 16	(Audited)	(Audited)
1	Segment revenue					
	- Software development and customisation services	9,792.30	9,276.10	9,178.46	37,603.24	34,099.29
	- Business process outsourcing services	2,406.47	2,213.98	2,126.20	9,048.56	6,974.83
	Less: Elimination of intersegment sales	38.50	38.58	36.71	150.92	124.57
	Income from operations	12,160.27	11,451.50	11,267.95	46,500.88	40,949.55
2	Segment results before tax and interest					
	- Software development and customisation services	303.49	621.66	448.52	2,371.72	1,926.68
	- Business process outsourcing services	291.17	206.02	103.85	716.29	135.26
	Total	594.66	827.68	552.37	3,088.01	2,061.94
	(i) Interest expense	(2.12)	(2.63)	(1.52)	(8.60)	(6.69)
	(ii) Interest income	111.88	98.43	125.53	423.31	409.30
	(iii) Other unallocable income	-	-	110.77	-	147.13
	(iv) Other unallocable expenses	(176.51)	(140.09)	(146.80)	(617.36)	(519.77)
	Profit before tax	527.91	783.39	640.35	2,885.36	2,091.91
3	Capital employed					
	- Software development and customisation services	13,658.70	12,951.55	14,759.91	13,658.70	14,759.91
	- Business process outsourcing services	(657.94)	(980.54)	(1,914.62)	(657.94)	(1,914.62)
	- Unallocated corporate	6,459.22	7,419.49	7,013.02	6,459.22	7,013.02
	Total capital employed	19,459.98	19,390.50	19,858.31	19,459.98	19,858.31

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For Identification

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For R SYSTEMS INTERNATIONAL LTD.


Company Secretary