

R SYSTEMS INTERNATIONAL LIMITED

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

Statement of Standalone Audited Results for the Quarter and Year Ended December 31, 2012

		(Rs. in lakhs, except per share data)				
S. No.	Particulars (Refer notes below)	Three Months Ended			Year Ended	
		31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
(a)	Income from operations	5,790.71	5,694.29	5,286.60	22,892.73	19,168.61
(b)	Other operating income	4.50	1.40	41.22	20.88	122.24
	Total income from operations	5,795.21	5,695.69	5,327.82	22,913.61	19,290.85
2	Expenses					
(a)	Employee benefits expense	3,928.77	3,728.11	3,386.66	15,031.11	13,006.45
(b)	Depreciation and amortisation expense	130.82	141.43	220.89	624.01	881.24
(c)	Traveling and conveyance	506.55	484.54	444.17	1,863.53	1,685.07
(d)	Communication costs	102.44	100.82	119.03	424.87	443.00
(e)	Legal and professional expenses	93.75	106.58	133.18	483.86	538.54
(f)	Provision for doubtful debts and advances (net)	(24.26)	14.22	153.40	106.77	465.17
(g)	Other expenses	414.39	333.11	800.12	1,680.78	1,915.54
	Total expenses	5,152.46	4,908.81	5,257.45	20,214.93	18,935.01
3	Profit from operations before other income, finance costs and exceptional items (1-2)	642.75	786.88	70.37	2,698.68	355.84
4	Other income	109.04	88.25	137.92	401.27	477.18
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	751.79	875.13	208.29	3,099.95	833.02
6	Finance costs	6.71	5.04	6.15	27.34	42.67
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	745.08	870.09	202.14	3,072.61	790.35
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	745.08	870.09	202.14	3,072.61	790.35
10	Tax expense					
	Current tax	264.82	328.00	170.30	954.02	547.80
	MAT credit (refer note 10 below)	-	-	(50.06)	-	(70.56)
	Deferred tax charge / (credit) (refer note 10 below)	(26.00)	(35.40)	(86.69)	65.82	(333.40)
	Total tax expense	238.82	292.60	33.55	1,019.84	143.84
11	Net profit from ordinary activities after tax (9-10)	506.26	577.49	168.59	2,052.77	646.51
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	506.26	577.49	168.59	2,052.77	646.51
14	Paid - up equity share capital (Face value Rs. 10/- each) (refer note 11 below)	1,244.68	1,241.68	1,224.30	1,244.68	1,224.30
15	Reserves excluding Revaluation Reserve as at December 31, 2012 and December 31, 2011				16,779.16	17,911.31
16.i	Earnings per share before extraordinary items (par value of Rs. 10/- each) (not annualised)					
(a) Basic		4.05	4.63	1.37	16.50	5.23
(b) Diluted		4.05	4.63	1.35	16.50	5.19
16.ii	Earnings per share after extraordinary items (par value of Rs. 10/- each) (not annualised)					
(a) Basic		4.05	4.63	1.37	16.50	5.25
(b) Diluted		4.05	4.63	1.35	16.50	5.19

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 quarter and year ended December 31, 2012 and December 31, 2011. There is no qualification in the Auditors' report on these financial results. Also refer note 15 below.
- For comparative purpose quarter ended September 30, 2012 is also presented which was audited 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. 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.
- During the quarter ended December 31, 2012, the Company has incorporated a wholly owned subsidiary Systems R. International LLC in Canada on October 29, 2012.
- 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, 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 standalone statement of assets & liabilities.
- Refer Annexure B for segment wise standalone revenue, results and capital employed.
- Figures for the quarter ended December 31, 2012 and December 31, 2011 are audited and is also 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.
- 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: February 09, 2013

For and on behalf of the Board

Lt. Rakesh Bhatnagar Singh (Retd.)

[President & Senior Executive Director]

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For R SYSTEMS INTERNATIONAL LTD.

S.R. Batliboi & Co., Gurgaon

For Identification

Company Secretary

Page 3 of 24

R SYSTEMS INTERNATIONAL LIMITED
Standalone Statement of Assets & 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	16,779.16	17,911.31
	Sub total - Shareholders' fund	18,023.84	19,135.61
2	Non-current liabilities		
	(a) Long-term borrowings	34.47	38.39
	(b) Other long-term liabilities	65.70	740.98
	(c) Long-term provisions	712.41	612.89
	Sub total - Non-current liabilities	812.58	1,392.26
3	Current liabilities		
	(a) Trade payables	1,188.02	1,078.15
	(b) Other current liabilities	1,301.71	2,170.29
	(c) Short-term provisions	2,666.85	1,672.11
	Sub total - Current liabilities	5,156.58	4,920.55
	TOTAL - EQUITY AND LIABILITIES	23,993.00	25,448.42
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets (net)	3,046.31	3,276.16
	(b) Non-current investments	7,670.19	8,137.67
	(c) Deferred tax assets (net)	487.91	553.73
	(d) Long-term loans and advances	894.84	831.02
	(e) Other non-current assets	713.31	1,123.53
	Sub total - Non-current assets	12,812.56	13,922.11
2	Current assets		
	(a) Trade receivables	4,628.66	5,225.22
	(b) Cash and cash equivalent	5,481.62	5,140.51
	(c) Short-term loans and advances	434.49	404.91
	(d) Other current assets	635.67	755.67
	Sub total - Current assets	11,180.44	11,526.31
	TOTAL - ASSETS	23,993.00	25,448.42

S.R. Batliboi & Co., Gurgaon

For Identification

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For R SYSTEMS INTERNATIONAL LTD.


 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			Year Ended	
		31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue					
	- Software development and customisation services	4,993.19	4,950.83	4,644.55	19,904.51	16,828.72
	- Business process outsourcing services	797.52	743.46	642.05	2,988.22	2,339.89
	Income from operations	5,790.71	5,694.29	5,286.60	22,892.73	19,168.61
2	Segment results before tax and interest					
	- Software development and customisation services	570.81	741.70	214.35	2,675.09	760.43
	- Business process outsourcing services	144.65	145.14	(79.59)	402.20	(105.03)
	Total	715.46	886.84	134.76	3,077.29	655.40
	(i) Interest expense	(1.61)	(1.52)	(1.49)	(6.81)	(6.26)
	(ii) Interest income	109.04	88.25	122.03	401.27	398.55
	(iii) Other unallocable income	-	-	41.22	-	122.24
	(iv) Other unallocable expenses	(77.81)	(103.48)	(94.38)	(399.14)	(379.58)
	Profit before tax	745.08	870.09	202.14	3,072.61	790.35
3	Capital employed					
	- Software development and customisation services	13,652.46	13,441.29	14,533.75	13,652.46	14,533.75
	- Business process outsourcing services	(1,538.38)	(1,684.33)	(2,488.87)	(1,538.38)	(2,488.87)
	- Unallocated corporate	5,909.76	6,815.83	7,090.73	5,909.76	7,090.73
	Total capital employed	18,023.84	18,572.79	19,135.61	18,023.84	19,135.61

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary