R SYSTEMS INTERNATIONAL LIMITED
Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P., India - 201 307
Phones: +91-120-4303500 Email: rsystems.india@rsystems.com Regd.Off.: B-104A, Greater Kailash-I,
Fax : +91-120-2587123 www.rsystems.com New Delhi - 110 048

KIND ATTN : MR. HARI K / MR. ANEESH KUMAR

REF: SECT/07/2014/34 JULY 26, 2014

To,
The Managing Director,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra - (E), Mumbai - 400 051

Dear Sir,

SUB: CORPORATE DISCLOSURE UNDER LISTING AGREEMENT FOR BUSINESS APPROVED AT THE BOARD MEETING

This is with reference to the Listing Agreement entered into by R Systems International Limited. We wish to inform you as required in terms of Clause 41, 20 and other applicable provisions of the Listing Agreement that the Board of Directors of R Systems International Limited at its meeting held on July 26, 2014 has inter alia approved the following:

1. Audited standalone financial results for the quarter and half year ended June 30, 2014.

2. Unaudited consolidated financial results for the quarter and half year ended June 30, 2014.

3. Payment of second interim dividend for the year 2014 at the rate of Re. 0.50 (Fifty Paisa only) per equity share of Re. 1/- each. Second Interim Dividend will be paid on August 21, 2014 to those shareholders of the Company, whose names appear in the Register of Members as on the Record Date fixed in this regard i.e. August 06, 2014.

4. Proposal for transfer of IT Products and Services Business located at Pune and Chennai (Indus Business Unit) of the Company to R Systems Products & Technologies Limited, a Wholly Owned Subsidiary of R Systems International Limited subject to the necessary approval of the shareholders and other competent authorities, to pursue further sale of the said Indus Business Unit.

5. The Notice for passing of resolution through Postal Ballot seeking approval of the shareholders pursuant to Section 110 of the Companies Act, 2013 for the purpose of aforementioned transfer of Indus Business Unit to wholly owned subsidiary of the Company i.e. R Systems Products & Technologies Limited and appointment of Mr. Sanjay Grover, Practising Company Secretary as Scrutinizer for conducting the postal ballot.

6. Appointment of Mrs. Ruchica Gupta as member of Audit Committee and Corporate Social Responsibility Committee of the Board.

7. Appointment of Mr. Amardeep Singh as member of Nomination & Remuneration Committee of the Board.

... like the Oyster Delivering the Pearl

Please find attached herewith the following:

1. Audited standalone financial results for the quarter and half year ended June 30, 2014 in the format prescribed under Clause 41 of Listing Agreement along with the report of the auditors thereon.

2. Unaudited consolidated financial results for the quarter and half year ended June 30, 2014 in the format prescribed under Clause 41 of Listing Agreement along with the Limited Review Report of the auditors thereon.

3. Copy of the press release to be issued for declaration of the financial results for the quarter and half year ended June 30, 2014.

This is for your information and record.

Thanking you.

Yours faithfully,
For R Systems International Limited

Vikash Kumar Tiwari
(Company Secretary & Compliance Officer)

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 June 30, 2014

PART I (Rs. in lakhs, except per share data)

S.No.	Particulars	Three Months Ended			Half Year Ended		Year Ended
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013	31.12.2013
	(Refer notes)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**Income from operations**						
(a)	Income from operations	7,115.75	6,907.35	6,497.66	14,023.10	12,275.38	26,980.34
(b)	Other operating income	66.76	135.26	7.60	202.02	18.86	31.82
	Total income from operations	**7,182.51**	**7,042.61**	**6,505.26**	**14,225.12**	**12,294.24**	**27,012.16**
2	**Expenses**						
(a)	Employee benefits expense	4,423.22	4,253.05	4,094.17	8,676.27	8,070.30	16,020.44
(b)	Depreciation and amortisation expense	169.06	155.36	121.22	324.42	233.53	478.08
(c)	Traveling and conveyance	562.60	566.54	513.77	1,129.14	1,038.61	2,170.73
(d)	Communication costs	145.00	127.61	126.39	272.61	242.32	506.54
(e)	Legal and professional expenses (including subcontract expenses)	127.51	128.74	94.39	256.25	288.17	558.52
(f)	Provision for doubtful debts and advances (net)	21.98	26.89	29.16	48.87	165.32	149.59
(g)	Other expenses	521.92	477.28	793.77	999.20	1,162.88	2,070.47
	Total expenses	**5,971.29**	**5,735.47**	**5,772.87**	**11,706.76**	**11,201.13**	**21,954.37**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**1,211.22**	**1,307.14**	**732.39**	**2,518.36**	**1,093.11**	**5,057.79**
4	Other income	101.45	109.52	91.81	210.97	200.27	385.05
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**1,312.67**	**1,416.66**	**824.20**	**2,729.33**	**1,293.38**	**5,442.84**
6	Finance costs	6.65	8.51	6.27	15.16	12.87	27.97
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**1,306.02**	**1,408.15**	**817.93**	**2,714.17**	**1,280.51**	**5,414.87**
8	Exceptional items	-	-	-	-	-	-
9	**Profit from ordinary activities before tax (7+8)**	**1,306.02**	**1,408.15**	**817.93**	**2,714.17**	**1,280.51**	**5,414.87**
10	**Tax expense**						
	Current tax	484.41	302.87	307.58	787.28	493.58	1,908.74
	MAT credit (refer note 9)	-	-	-	-	(123.21)	(123.21)
	Deferred tax charge / (credit)	(34.09)	180.68	22.85	146.59	(8.66)	(25.88)
	Total tax expense	**450.32**	**483.55**	**330.43**	**933.87**	**361.71**	**1,759.65**
11	**Net profit from ordinary activities after tax (9-10)**	**855.70**	**924.60**	**487.50**	**1,780.30**	**918.80**	**3,655.22**
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net profit for the period / year (11-12)**	**855.70**	**924.60**	**487.50**	**1,780.30**	**918.80**	**3,655.22**
14	Paid - up equity share capital (Face value Re. 1/- each) (refer note 5 and 6)	1,266.28	1,266.28	1,255.92	1,266.28	1,255.92	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 5)**						
	(a) Basic	0.67	0.73	0.39	1.40	0.73	2.90
	(b) Diluted	0.67	0.73	0.39	1.40	0.73	2.90
16.ii	**Earnings per share after extraordinary items and considering sub-division (Face value of Re. 1/- each) (not annualised) (refer note 5)**						
	(a) Basic	0.67	0.73	0.39	1.40	0.73	2.90
	(b) Diluted	0.67	0.73	0.39	1.40	0.73	2.90

See accompanying notes to the financial results.

PART II

A	PARTICULARS OF SHAREHOLDING (refer note 5)						
1	Public Shareholding						
	- Number of shares (Face value Re. 1/- each)	63,000,635	63,006,905	61,914,230	63,000,635	61,914,230	62,237,620
	- Percentage of shareholding	49.46	49.47	49.01	49.46	49.01	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)	64,366,545	64,360,275	64,416,960	64,366,545	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)	50.54	50.53	50.99	50.54	50.99	50.86

	Particulars	Three Months Ended
		30.06.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	4
	Disposed off during the quarter	4
	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

Notes:

1. The results for the quarter and half year ended June 30, 2014 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 26, 2014.
2. An audit has been completed by the Statutory Auditors for the quarter and half year ended June 30, 2014 and June 30, 2013, quarter ended March 31, 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 had declared first interim dividend of Re. 0.95 per equity share of face value of Re. 1/- each. The first interim dividend was paid to the shareholders on June 23, 2014. Further, Board of Directors at its meeting held on July 26, 2014 has declared second interim dividend of Re. 0.50 per equity share, as per record date of August 06, 2014. The Shareholders' assent for both interim dividends will be taken in the Annual General Meeting.
4. The Board of Directors had recommended a final dividend of Re. 0.95 per equity share of face value of Re. 1/- each, equivalent to Rs. 9.50 per equity share of Rs. 10/- per share before the sub-division of equity shares (being 95% on the par value) (also refer note 5 below) at its meeting held on February 07, 2014. This was in addition to first and second interim dividend of Rs. 2.50 and Rs. 8.50 per equity share of face value of 10/- each declared during the year ended December 31, 2013. These dividends have been approved by the shareholders at the Annual General Meeting held on May 10, 2014.
5. Pursuant to the approval of the members 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.
6. During the half year ended June 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.
7. As per the approval accorded by the Board of Directors at its meeting held on October 25, 2013, the closure of Company's Branch Office in Japan, has been completed during the quarter ended June 30, 2014, in compliance with the applicable laws of India and Japan.
8. The Company has incorporated a wholly owned subsidiary company in India namely "R Systems Products & Technologies Limited" on July 11, 2014. Further, the Board of Directors at its meeting held on July 26, 2014 has approved the transfer of Indus IT Product and Service business operated out of Pune and Chennai locations to this newly incorporated subsidiary to pursue strategic opportunities. This is subject to necessary approval from the shareholders to be accorded by special resolution through postal ballot.
9. MAT Credit during the half year ended June 30, 2013 and year ended December 31, 2013 pertains to prior periods.
10. Refer Annexure A for the standalone statement of assets & liabilities.
11. Refer Annexure B for segment wise standalone revenue, results and capital employed.
12. 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
[Director & Chief Operating Officer]

Place : NOIDA
Date : July 26, 2014

S.R Batliboi & Associates LLP, Gurgaon

for Identification

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Annexure A

R SYSTEMS INTERNATIONAL LIMITED

Standalone Statement of Assets & Liabilities

(Rs. in lakhs)

	Particulars	As at Half Year Ended 30.06.2014	As at Year Ended 31.12.2013
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	1,266.28	1,259.16
	(b) Reserves and surplus	17,236.81	17,546.23
	Sub total - Shareholders' fund	**18,503.09**	**18,805.39**
2	**Non-current liabilities**		
	(a) Long-term borrowings	47.71	44.03
	(b) Other long-term liabilities	42.99	38.27
	(c) Long-term provisions	808.00	734.38
	Sub total - Non-current liabilities	**898.70**	**816.68**
3	**Current liabilities**		
	(a) Trade payables	1,438.78	1,653.54
	(b) Other current liabilities	2,458.00	1,132.70
	(c) Short-term provisions	1,945.02	3,103.97
	Sub total - Current liabilities	**5,841.80**	**5,890.21**
	TOTAL - EQUITY AND LIABILITIES	**25,243.59**	**25,512.28**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets	3,573.68	3,460.68
	(b) Non-current investments	7,936.08	7,936.08
	(c) Deferred tax assets (net)	367.20	513.79
	(d) Long-term loans and advances	565.85	686.09
	(e) Other non-current assets	622.64	797.10
	Sub total - Non- current assets	**13,065.45**	**13,393.74**
2	**Current assets**		
	(a) Current investments	180.00	100.00
	(b) Trade receivables	6,345.01	5,795.26
	(c) Cash and cash equivalents	3,982.29	4,415.58
	(d) Short-term loans and advances	873.36	678.64
	(e) Other current assets	797.48	1,129.06
	Sub total - Current assets	**12,178.14**	**12,118.54**
	TOTAL - ASSETS	**25,243.59**	**25,512.28**

S.R Batliboi & Associates LLP, Gurgaon

for Identification

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Annexure B

R SYSTEMS INTERNATIONAL LIMITED

Segment Wise Standalone Revenue, Results and Capital Employed

(Rs. In lakhs)

S.No.	Particulars	Three Months Ended			Half Year Ended		Year Ended
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013	31.12.2013
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**Segment revenue**						
	- Information technology services and products	6,221.89	6,170.03	5,617.96	12,391.92	10,697.95	23,564.01
	- Business process outsourcing services	893.86	737.32	879.70	1,631.18	1,577.43	3,416.33
	Income from operations	**7,115.75**	**6,907.35**	**6,497.66**	**14,023.10**	**12,275.38**	**26,980.34**
2	**Segment results** before tax and interest						
	- Information technology services and products	1,197.03	1,448.22	706.23	2,645.25	1,170.62	4,903.89
	- Business process outsourcing services	173.99	(19.69)	138.08	154.30	150.60	629.94
	Total	**1,371.02**	**1,428.53**	**844.31**	**2,799.55**	**1,321.22**	**5,533.83**
	(i) Interest expense	(1.96)	(1.73)	(1.61)	(3.69)	(3.26)	(6.81)
	(ii) Interest income	91.40	109.52	91.81	200.92	200.27	385.05
	(iii) Other unallocable income	10.05	-	-	10.05	-	-
	(iv) Other unallocable expenses	(164.49)	(128.17)	(116.58)	(292.66)	(237.72)	(497.20)
	Profit before tax	**1,306.02**	**1,408.15**	**817.93**	**2,714.17**	**1,280.51**	**5,414.87**
3	**Capital employed**						
	- Information technology services and products	15,098.98	15,529.88	14,695.50	15,098.98	14,695.50	15,610.27
	- Business process outsourcing services	(764.31)	(942.98)	(1,388.24)	(764.31)	(1,388.24)	(918.36)
	- Unallocated corporate	4,168.42	5,221.18	5,389.91	4,168.42	5,389.91	4,113.48
	Total capital employed	**18,503.09**	**19,808.08**	**18,597.17**	**18,503.09**	**18,697.17**	**18,805.39**

S.R. Batliboi & Associates LLP, Gurgaon

for identification

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For R SYSTEMS INTERNATIONAL LTD.

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel: +91 124 464 4000
Fax: +91 124 464 4050

Auditor's Report On Quarterly Financial Results and Year to Date Results of R Systems International Limited pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of R Systems International Limited.

1. We have audited the quarterly financial results of R Systems International Limited (the "Company") for the quarter ended June 30, 2014 and year to date results for the period January 1,2014 to June 30, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly as well as year to date financial results have been prepared on the basis of the interim condensed financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such interim condensed financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs and other accounting principles generally accepted in India and the relevant requirements of Clause 41 of the Listing Agreement.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us these quarterly as well as year to date financial results:

   i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
   ii. give a true and fair view of the net profit and other financial information for the quarter ended June 30, 2014 as well as year to date results for the period from January 1, 2014 to June 30, 2014.

S.R. Batliboi & Associates LLP Gurgaon

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. Batliboi & Associates (a partnership firm) converted into S.R. Batliboi & Associates LLP (a Limited Liability Partnership with LLP Identity No. AAB-4295) effective 1st April, 2013
Regd. Office: 22 Camac Street, Block C, 2nd Floor, Kolkata-700 016

4. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & ASSOCIATES, LLP
Chartered Accountants
ICAI Firm registration number: 101049W

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership No.: 58814

S.R. Batliboi & Associates LLP * Gurgaon *

Place: Gurgaon
Date: July 26, 2014

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

R SYSTEMS INTERNATIONAL LIMITED

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

Statement of Consolidated Unaudited Results for the Quarter and Half Year Ended June 30, 2014

PART I (Rs. in lakhs, except per share data)

S.No.	Particulars	Three Months Ended			Half Year Ended		Year Ended
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013	31.12.2013
	(Refer notes)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income from operations**						
(a)	Income from operations	16,066.75	15,626.55	14,521.71	31,693.30	27,008.00	59,605.42
(b)	Other operating income	6.58	338.71	23.48	345.29	51.46	68.03
	Total income from operations	**16,073.33**	**15,965.26**	**14,545.19**	**32,038.59**	**27,059.46**	**59,673.45**
2	**Expenses**						
(a)	Employee benefits expense	9,793.52	9,858.47	8,829.56	19,651.99	17,252.34	35,738.67
(b)	Depreciation and amortisation expense	283.67	269.90	257.50	553.57	470.63	1,017.07
(c)	Traveling and conveyance	751.68	938.09	793.99	1,689.77	1,721.89	3,459.44
(d)	Communication costs	222.39	218.01	207.32	440.40	405.80	835.66
(e)	Legal and professional expenses (including subcontract expenses)	1,742.96	1,617.99	1,427.59	3,360.95	2,618.92	5,982.97
(f)	Provision for doubtful debts and advances (net)	-	-	154.74	-	349.45	334.50
(g)	Other expenses	1,267.66	1,155.62	1,794.82	2,423.28	2,676.70	5,451.21
	Total expenses	**14,061.88**	**14,058.08**	**13,465.52**	**28,119.96**	**25,495.73**	**52,819.52**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**2,011.45**	**1,907.18**	**1,079.67**	**3,918.63**	**1,563.73**	**6,853.93**
4	Other income	103.77	113.81	95.51	217.58	208.02	403.46
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**2,115.22**	**2,020.99**	**1,175.18**	**4,136.21**	**1,771.75**	**7,257.39**
6	Finance costs	18.82	20.64	19.73	39.46	37.02	74.84
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**2,096.40**	**2,000.35**	**1,155.45**	**4,096.75**	**1,734.73**	**7,182.55**
8	Exceptional items	-	-	-	-	-	-
9	**Profit from ordinary activities before tax (7+8)**	**2,096.40**	**2,000.35**	**1,155.45**	**4,096.75**	**1,734.73**	**7,182.55**
10	**Tax expense**						
	Current tax	701.77	406.23	378.28	1,108.00	583.79	2,048.20
	MAT credit (refer note 9)	-	-	-	-	(123.21)	(123.21)
	Deferred tax charge / (credit)	1.92	157.80	9.34	159.72	(13.23)	(12.31)
	Total tax expense	**703.69**	**564.03**	**387.62**	**1,267.72**	**447.35**	**1,912.68**
11	**Net profit from ordinary activities after tax (9-10)**	**1,392.71**	**1,436.32**	**767.83**	**2,829.03**	**1,287.38**	**5,269.87**
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net profit for the period / year (11-12)**	**1,392.71**	**1,436.32**	**767.83**	**2,829.03**	**1,287.38**	**5,269.87**
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)**	**1,392.71**	**1,436.32**	**767.83**	**2,829.03**	**1,287.38**	**5,269.87**
17	Paid - up equity share capital (Face value Re. 1/- each) (refer note 5 and 6)	1,266.28	1,266.28	1,255.92	1,266.28	1,255.92	1,259.16
18	Reserves excluding Revaluation Reserves as at December 31, 2013						21,916.91
19.i	**Earnings per share before extraordinary items and after considering sub-division (Face value of Re. 1/- each) (not annualised) (refer note 5)**						
	(a) Basic	1.09	1.13	0.61	2.23	1.02	4.18
	(b) Diluted	1.09	1.13	0.61	2.23	1.02	4.18
19.ii	**Earnings per share after extraordinary items and considering sub-division (Face value of Re. 1/- each) (not annualised) (refer note 5)**						
	(a) Basic	1.09	1.13	0.61	2.23	1.02	4.18
	(b) Diluted	1.09	1.13	0.61	2.23	1.02	4.18

See accompanying notes to the financial results.

PART II

A	PARTICULARS OF SHAREHOLDING (refer note 5)						
1	Public Shareholding						
	- Number of shares (Face value Re. 1/- each)	63,000,635	63,006,905	61,914,230	63,000,635	61,914,230	62,237,620
	- Percentage of shareholding	49.46	49.47	49.01	49.46	49.01	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)	64,366,545	64,360,275	64,416,960	64,366,545	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)	50.54	50.53	50.99	50.54	50.99	50.86

	Particulars	Three Months Ended
		30.06.2014
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	4
	Disposed off during the quarter	4
	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

Notes:

1 The results for the quarter and half year ended June 30, 2014 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 26, 2014.

2 The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter and half year ended June 30, 2014 and June 30, 2013,for the quarter ended March 31, 2014 and audit for the 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 had declared first interim dividend of Re. 0.95 per equity share of face value of Re. 1/- each. The first interim dividend was paid to the shareholders on June 23, 2014. Further, Board of Directors at its meeting held on July 26, 2014 has declared second interim dividend of Re. 0.50 per equity share, as per record date of August 06, 2014. The Shareholders' assent for both interim dividends will be taken in the Annual General Meeting.

4 The Board of Directors had recommended a final dividend of Re. 0.95 per equity share of face value of Re. 1/- each, equivalent to Rs. 9.50 per equity share of Rs. 10/- per share before the sub-division of equity shares (being 95% on the par value) (also refer note 5 below) at its meeting held on February 07, 2014. This was in addition to first and second interim dividend of Rs. 2.50 and Rs. 8.50 per equity share of face value of 10/- each declared during the year ended December 31, 2013. These dividends have been approved by the shareholders at the Annual General Meeting held on May 10, 2014.

5 Pursuant to the approval of the members 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.

6 During the half year ended June 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.

7 As per the approval accorded by the Board of Directors at its meeting held on October 25, 2013, the closure of Company's Branch Office in Japan, has been completed during the quarter ended June 30, 2014, in compliance with the applicable laws of India and Japan.

8 The Company has incorporated a wholly owned subsidiary company in India namely "R Systems Products & Technologies Limited" on July 11, 2014. Further, the Board of Directors at its meeting held on July 26, 2014 has approved the transfer of Indus IT Product and Service business operated out of Pune and Chennai locations to this newly incorporated subsidiary to pursue strategic opportunities. This is subject to necessary approval from the shareholders to be accorded by special resolution through postal ballot.

9 MAT Credit during the half year ended June 30, 2013 and year ended December 31, 2013 pertains to prior periods.

10 Refer Annexure A for the consolidated statement of assets and liabilities.

11 Refer Annexure B for segment wise consolidated revenue, results and capital employed.

12 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
[Director & Chief Operating Officer]

Place : NOIDA
Date : July 26, 2014

S.R. Batliboi & Associates LLP, Gurgaon

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For R SYSTEMS INTERNATIONAL LTD.

Annexure A

R SYSTEMS INTERNATIONAL LIMITED

Consolidated Statement of Assets and Liabilities

(Rs. in lakhs)

	Particulars	As at Half Year Ended 30.06.2014	As at Year Ended 31.12.2013
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	1,266.28	1,259.16
	(b) Reserves and surplus	22,472.93	21,916.91
	Sub total - Shareholders' fund	**23,739.21**	**23,176.07**
2	**Minority interest**	-	-
3	**Non-current liabilities**		
	(a) Long-term borrowings	71.84	88.07
	(b) Other long-term liabilities	44.84	43.79
	(c) Long-term provisions	808.00	734.38
	Sub total - Non-current liabilities	**924.68**	**866.24**
4	**Current liabilities**		
	(a) Trade payables	4,806.66	5,271.18
	(b) Other current liabilities	2,985.11	1,774.55
	(c) Short-term provisions	2,741.52	3,631.50
	Sub total - Current liabilities	**10,533.29**	**10,677.23**
	TOTAL - EQUITY AND LIABILITIES	**35,197.18**	**34,719.54**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets	4,592.76	4,629.98
	(b) Goodwill on consolidation	2,924.08	2,911.11
	(c) Non-current investments	0.25	0.25
	(d) Deferred tax assets (net)	389.65	553.49
	(e) Long-term loans and advances	743.66	843.81
	(f) Other non-current assets	762.73	962.33
	Sub total - Non- current assets	**9,413.13**	**9,900.97**
2	**Current assets**		
	(a) Current investments	180.00	100.00
	(b) Trade receivables	11,998.17	10,409.34
	(c) Cash and cash equivalents	9,070.10	10,145.35
	(d) Short-term loans and advances	1,753.77	1,501.53
	(e) Other current assets	2,782.01	2,662.35
	Sub total - Current assets	**25,784.05**	**24,818.57**
	TOTAL - ASSETS	**35,197.18**	**34,719.54**

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Annexure B

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
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013	31.12.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment revenue**						
	- Information technology services and products	13,113.78	12,620.56	11,846.14	25,734.34	21,888.71	48,396.68
	- Business process outsourcing services	2,995.95	3,059.39	2,750.60	6,055.34	5,232.41	11,443.06
	Less: Elimination of intersegment sales	42.98	53.40	75.03	96.38	113.12	234.32
	Income from operations	**16,066.75**	**15,626.55**	**14,521.71**	**31,693.30**	**27,008.00**	**59,605.42**
2	**Segment results** before tax and interest						
	- Information technology services and products	1,825.94	1,899.91	1,001.82	3,725.85	1,457.49	6,218.86
	- Business process outsourcing services	366.07	138.97	205.21	505.04	366.71	1,239.25
	Total	**2,192.01**	**2,038.88**	**1,207.03**	**4,230.89**	**1,824.20**	**7,458.11**
	(i) Interest expense	(2.23)	(4.22)	(2.75)	(6.45)	(5.74)	(12.34)
	(ii) Interest income	93.72	113.81	95.51	207.53	208.02	403.46
	(iii) Other unallocable income	10.05	-	-	10.05	-	-
	(iv) Other unallocable expenses	(197.15)	(148.12)	(144.34)	(345.27)	(291.75)	(666.68)
	Profit before tax	**2,096.40**	**2,000.35**	**1,155.45**	**4,096.75**	**1,734.73**	**7,182.55**
3	**Capital employed**						
	- Information technology services and products	17,989.87	17,279.65	15,000.94	17,989.87	15,000.94	17,052.44
	- Business process outsourcing services	1,188.44	823.24	(219.42)	1,188.44	(219.42)	751.90
	- Unallocated corporate	4,560.90	6,237.15	6,129.72	4,560.90	6,129.72	5,371.73
	Total capital employed	**23,739.21**	**24,340.04**	**20,911.24**	**23,739.21**	**20,911.24**	**23,176.07**

Reg

S.R. Batliboi & Associates LLP, Gurgaon

for identification

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

Limited Review Report

The Board of Directors
R Systems International Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of R Systems International Limited (the ''Company'') and its subsidiaries (together referred to as the ''Group''), for the quarter ended June 30, 2014 and for the period January 1, 2014 to June 30, 2014 being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors and has been prepared by the management on the basis of separate financial results and other financial information regarding components. These financial results of Company's subsidiaries have been prepared in accordance with accounting policies generally accepted in their respective countries and have been reviewed by other auditors under generally accepted auditing standards of their respective countries. The management has converted these financial results of the Company's subsidiaries to accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. In respect of unaudited quarterly and year to date consolidated financial results, we did not review the statements of unaudited financial results of its subsidiaries, whose unaudited quarterly and year to date financial results reflect total revenue and total assets as follows:

   (i) in relation to R Systems, Inc., USA subsidiary, total revenues of Rs. 299,469,503 for the quarter then ended and total revenues of Rs.588,055,101 for the period January 1,2014 to June 30, 2014, and total assets of Rs. 318,728,859 as at June 30, 2014.

   (ii) in relation to Indus Software, Inc., USA subsidiary, total revenues of Rs. Nil for the quarter then ended and total revenues of Rs. Nil for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 2,422,120 as at June 30, 2014.

   (iii) in relation to R Systems Solutions, Inc.,USA subsidiary,total revenues of Rs. 86,676,698 for the quarter then ended and total revenues of Rs.171,099,901 for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 110,247,005 as at June 30, 2014.

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

S.R. Batliboi & Associates LLP Gurgaon

S.R. Batliboi & Associates (a partnership firm) converted into S.R. Batliboi & Associates LLP (a Limited Liability Partnership with LLP Identity No. AAB 4295) effective 1st April 2013
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

(iv) in relation to ECnet Limited and its subsidiaries, Singapore subsidiary, total revenues of Rs. 84,000,177 for the quarter then ended and total revenues of Rs.168,048,480 for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 147,285,971 as at June 30, 2014.

(v) in relation to the R System (Singapore) Pte. Limited., Singapore subsidiary, total revenues of Rs. 56,735,834 for the quarter then ended and total revenues of Rs.109,878,120 for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 58,168,502 as at June 30, 2014.

(vi) in relation to R Systems S.A.S., France subsidiary, total revenues of Rs. 1,225,563 for the quarter then ended and total revenues of Rs.2,797,027 for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 10,255,642 as at June 30, 2014.

(vii) in relation to R Systems Europe B.V., Netherlands subsidiary, total revenues of Rs. 126,218,807 for the quarter then ended and total revenues of Rs.274,594,844 for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 225,241,383 as at June 30, 2014.

(viii) in relation to Computaris International Limited and its subsidiaries, U.K subsidiary, total revenues of Rs. 268,376,988 for the quarter then ended and total revenues of Rs.506,768,999 for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 664,190,057 as at June 30, 2014.

(ix) in relation to Systemes R. International Ltee, Canada Subsidiary, total revenues of Rs. 1,676,740 for the quarter then ended and total revenues of Rs.1,676,740 for the period January 1, 2014 to June 30, 2014, and total assets of Rs. 4,197,260 as at June 30, 2014.

The financial information of these subsidiaries have been prepared in accordance with accounting policies generally accepted in their respective countries and have been reviewed by other auditors who have submitted their review opinions, prepared under generally accepted auditing standards of their respective countries, to the Board of Directors of the respective companies, copies of which have been provided to us by the Company. The management has converted these financial results of the Company's subsidiaries to accounting principles generally accepted in India. Our opinion thus, insofar it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the accounting policies generally accepted in respective countries and our review of the conversion process followed by management.

S.R. Batliboi & Associates LLP Gurgaon

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For R SYSTEMS INTERNATIONAL LTD.

4. Based on our review conducted as above and on consideration of reports of other auditors on the unaudited separate quarterly and year to date financial results and on the other financial information of the components, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES.LLP
Chartered Accountants
ICAI Firm registration number: 101049W

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership No.: 58814

S.R. Batliboi & Associates LLP Gurgaon

Place: Gurgaon
Date: July 26, 2014

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

R Systems Announces Results for Q2, 2014

Q2, 2014: Revenue: Rs 160.67 Crores, EBITDA: Rs 22.43 Crores and Net Profits: Rs 13.93 Crores

Noida, India – July 26, 2014

Highlights

Consolidated results for the quarter ended June 30, 2014

- Consolidated revenue from operations for Q2-14 was Rs. 160.67 crores (US$ 26.85 mn) compared to Rs. 145.22 crores (US$ 26.05 mn) in Q2, 2013 and Rs. 156.27 crores (US$ 25.31 mn) in Q1, 2014. YoY increase was 10.64% and QoQ increase was 2.82%.

- EBITDA was Rs. 22.43 crores (US$ 3.74 mn) compared to Rs. 15.65 crores (US$ 2.84 mn) in Q2, 2013 and Rs.18.67 crores (US$ 3.03 mn) in Q1, 2014. YoY increase was 43.27% and QoQ increase was 20.13%.

- Net profit after taxes was Rs. 13.93 crores (US$ 2.33 mn) compared to Rs. 7.68 crores (US$ 1.40 mn) in Q2, 2013 and Rs. 14.36 crores (US$ 2.33 mn) in Q1, 2014. YoY increase was 81.38% and QoQ decrease was 3.04%.

Mr. Rekhi Singh, Managing Director stated "We concluded the quarter with revenues of Rs. 160 crores and EBITDA of Rs. 22 crores. Volumes growth coupled with discipline in execution and higher license revenue led to improved margins in Q2-2014. Over the quarter, Rupee has witnessed volatility which has impacted our margins. We continue to follow a hedging policy to manage currency risk."

He added, "Overall business environment is encouraging. To maximize these opportunities, we are committed to deliver innovative services and solutions to offer enhanced value proposition to the delight of our customers."

He further added, "We are having a strong balance sheet with net worth of Rs. 237 crores including cash and bank balance of Rs. 99 crores. Considering the overall performance, the Board has declared a second interim dividend of 50% i.e. Re. 0.50 per share"

Mr. Raj Swaminathan Executive Director and COO said "Our focus on targeting bigger deals is yielding results. We have 28 accounts having revenue of USD one million plus including 5 accounts having revenue of USD 3 mn and above. We added 45 net technical associates during the quarter to support promising sales pipeline across all our key verticals."

Key Operational Highlights for the Quarter

R Systems' core service offerings include Outsourced Product Engineering, sold under our brand of iPLM (Integrated Product Life Cycle Management) IT and ITES services. Our iPLM IT Services are designed to help software product development companies to accelerate their time-to-market, make our customer more competitive and increase product life spans. Our key ITES services include customer care and technical support, managed services, NOC support, high-end quality process management and revenue and claims management. These are delivered in multiple languages using our global delivery model.

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For R SYSTEMS INTERNATIONAL LTD.

R Systems products group consists of two units i.e., Indus® and ECnet®. Indus® addresses its target BFSI market with its flagship product LSI (Lending Solutions from Indus) and its variants for the telecom and insurance industry.

ECnet® addresses supply chain, warehousing and inventory management. Further, ECnet also operates as a channel partner for reselling and implementing several ERP products of one of the largest ERP vendors.

Our services and solutions span five major verticals which include Telecom and Digital Media, Banking and Finance, Healthcare Services, Manufacturing and Logistics, and Government Services. We serve customers worldwide using our global delivery model, 2600+ associates and multi-language support capabilities.

The brief of some significant wins are listed below:

One of the leading providers of cloud-based products for health insurers and state health agencies based in USA has engaged R Systems for various cloud based J2EE initiatives using Spring and Hibernate technologies.

One of the leading Accounting and Consulting firm in USA has selected R Systems for IT services covering a suite of Microsoft applications along with handling significant database migration.

A Russia based producer of smart phones and other high-tech gadgets selected R Systems' European BPO arm to provide technical support and customer services for its devices.

A global manufacturer of watches, printers, scanners and high tech electronic devices has engaged our Singapore subsidiary ECnet Limited to implement a globally renowned and comprehensive ERP system along with ECnet's proprietary SCM e-procurement solution.

A Singapore based company specialized in electrical goods and component has selected our subsidiary ECnet Limited to implement a data collection solution. The solution will result in improved warehouse management.

Interim Dividend

The Board of Directors at its meeting held on July 26, 2014 has declared second interim dividend of Re. 0.50 per equity shares (i.e. 50% on equity share of par value of Re. 1/-).

Liquidity and Shareholder Funds

Total Consolidated Cash and bank balance, including bank deposits and liquid debt funds, as at June 30, 2014 was Rs. 99.51 crores compared to Rs. 123.90 crores as on March 31, 2014. Total shareholder funds as on June 30, 2014 were Rs. 237.39 crores compared to Rs. 243.40 crores as on March 31, 2014.

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended June 30, 2014 (*As per Indian GAAP*)

(Rs. in mn)

Sr. No.	Particulars	Quarter Ended June 30,		Quarter Ended March 31, 2014
		2014	2013	
1	**Income**			
1.1	Income from operations	1,606.68	1,452.17	1,562.65
1.2	Other operating income	0.66	2.35	33.87
	Total	**1,607.34**	**1,454.52**	**1,596.52**
2	**Expenses**			
2.1	Employee benefits expense	979.35	882.96	985.85
2.2	Depreciation and amortisation expense	28.37	25.75	26.99
2.3	Traveling and conveyance	75.17	79.40	93.81
2.4	Communication costs	22.24	20.73	21.80
2.5	Legal and professional expenses (including subcontract expenses)	174.30	142.76	161.80
2.6	Provision for doubtful debts and advances (net)	-	15.47	-
2.7	Other expenses	126.76	179.48	115.56
	Total expenses	**1,406.19**	**1,346.55**	**1,405.81**
3	**Profit from operations before other income and finance cost**	**201.15**	**107.97**	**190.71**
4	Other income	10.38	9.55	11.38
5	**Profit from operations before finance cost**	**211.53**	**117.52**	**202.09**
6	Finance cost	1.89	1.98	2.06
7	**Profit before tax**	**209.64**	**115.54**	**200.03**
8	**Tax expense**			
8.1	Current tax (net of MAT credit)	70.18	37.83	40.62
8.2	Deferred tax charge	0.19	0.93	15.78
	Total tax expense	**70.37**	**38.76**	**56.40**
9	**Net profit after tax**	**139.27**	**76.78**	**143.63**
10	**Earnings per share (Face value of Re. 1/- each)**			
10.1	Basic	1.09	0.61	1.13
10.2	Diluted	1.09	0.61	1.13

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Six Months Ended June 30, 2014

(As per Indian GAAP)

(Rs. in mn)

Sr. No.	Particulars	Six Month Ended June 30	
		2014	2013
1	**Income**		
1.1	Income from operations	3,169.33	2,700.80
1.2	Other operating income	34.53	5.15
	Total	**3,203.86**	**2,705.95**
2	**Expenditure**		
2.1	Employee benefits expense	1,965.20	1,725.23
2.2	Depreciation and amortisation expense	55.36	47.06
2.3	Traveling and conveyance	168.98	172.19
2.4	Communication costs	44.04	40.58
2.5	Legal and professional expenses (including subcontract expenses)	336.10	261.89
2.6	Provision for doubtful debts and advances (net)	-	34.95
2.7	Other expenditure	242.32	267.67
	Total expenditure	**2,812.00**	**2,549.57**
3	**Profit from operations before other income and finance cost**	**391.86**	**156.38**
4	Other income	21.76	20.80
5	**Profit from operations before finance cost**	**413.62**	**177.18**
6	Finance cost	3.95	3.70
7	**Profit before tax**	**409.67**	**173.48**
8	**Provision for tax**		
8.1	Current tax (net of MAT credit)	110.80	46.06
8.2	Deferred tax charge / (credit)	15.97	(1.32)
	Total tax expense	**126.77**	**44.74**
9	**Net profit after tax**	**282.90**	**128.74**
10	**Earnings per share (Face value of Re. 1/- each)**		
10.1	Basic	2.23	1.02
10.2	Diluted	2.23	1.02

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un- audited) for the Quarter Ended June 30, 2014

(Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn)

Particulars	Q2 2014		Q2 2013		Q1 2014	
	INR	US$	INR	US$	INR	US$
Revenues	**1,606.68**	**26.85**	**1,452.17**	**26.05**	**1,562.65**	**25.31**
Cost of revenues	1,021.48	17.08	937.58	16.80	1,014.07	16.42
Gross margin	**585.20**	**9.77**	**514.59**	**9.25**	**548.58**	**8.89**
	36.42%		*35.44%*		*35.11%*	
SG & A						
Expenses	360.92	6.03	358.05	6.41	361.89	5.86
	22.46%		*24.66%*		23.16%	
EBITDA	**224.28**	**3.74**	**156.54**	**2.84**	**186.69**	**3.03**
	13.96%		*10.78%*		*11.95%*	
Depreciation and amortization	28.37	0.47	25.75	0.46	26.99	0.44
Income from operations	**195.91**	**3.27**	**130.79**	**2.38**	**159.70**	**2.59**
Interest expense	(0.22)	(0.00)	(0.27)	(0.00)	(0.42)	(0.01)
Other income (net)	13.95	0.24	(14.98)	(0.28)	40.75	0.66
Income before income tax	**209.64**	**3.51**	**115.54**	**2.10**	**200.03**	**3.24**
Income tax provision	70.37	1.18	38.76	0.70	56.40	0.91
Net earnings	**139.27**	**2.33**	**76.78**	**1.40**	**143.63**	**2.33**

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Financial Performance

Consolidated Profit & Loss Statement (Un- audited) for the Six Months Ended June 30, 2014

(Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn)

Particulars	Jan to Jun 14		Jan to Jun 13	
	INR	US$	INR	US$
Revenue	**3,169.33**	**52.16**	**2,700.80**	**49.09**
Cost of revenue	2,035.55	33.50	1,785.57	32.45
Gross margin	**1,133.78**	**18.66**	**915.23**	**16.64**
	35.77%		*33.89%*	
SG & A				
Expenses	722.81	11.89	708.74	12.88
	22.81%		*26.24%*	
EBITDA	**410.97**	**6.77**	**206.49**	**3.76**
	12.97%		*7.65%*	
Depreciation and amortization	55.36	0.91	47.06	0.86
Income from operations	**355.61**	**5.86**	**159.43**	**2.90**
Interest expense	(0.64)	(0.01)	(0.57)	(0.01)
Other income (net)	54.70	0.90	14.62	0.26
Income before income tax	**409.67**	**6.75**	**173.48**	**3.15**
Income tax provision	126.77	2.09	44.74	0.81
Net earnings	**282.90**	**4.66**	**128.74**	**2.34**

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

Consolidated Balance Sheet as at June 30, 2014 (As per Indian GAAP)

(Rs. in mn)

Particulars	As at		
	June 30, 2014 (Unaudited)	June 30, 2013 (Unaudited)	Mar 31, 2014 (Unaudited)
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	126.63	125.59	126.63
Reserves and Surplus	2,247.29	1,965.53	2,307.38
Sub-Total Shareholder's Funds	**2,373.92**	**2,091.12**	**2,434.01**
Minority interest	-	-	-
Non-current liabilities			
Long-term borrowings	7.19	9.41	7.24
Other long term liabilities	4.48	4.41	4.37
Long-term provisions	80.80	83.24	75.61
Subtotal - Non-current liabilities	**92.47**	**97.06**	**87.22**
Current liabilities			
Trade payables	480.67	435.81	465.15
Other current liabilities	298.51	236.09	333.95
Short-term provisions	274.15	297.83	307.11
Subtotal- Current Liabilities	**1053.33**	**969.73**	**1,106.21**
TOTAL - EQUITY AND LIABILITIES	**3,519.72**	**3,157.91**	**3,627.44**
ASSETS			
Non-current assets			
Fixed assets	459.27	421.11	468.56
Goodwill on consolidation	292.41	279.21	283.84
Non-current investments	0.03	0.03	18.03
Deferred tax assets (net)	38.96	56.50	39.29
Long-term loans and advances	74.37	88.36	75.04
Other non-current assets	76.27	93.90	74.45
Subtotal - Non- current assets	**941.31**	**939.11**	**959.21**
Current assets			
Current Investment	18.00	10.00	10.00
Trade receivables	1,199.82	1,105.52	1,089.00
Cash and bank balance	907.01	726.21	1,137.65
Short-term loans and advances	175.38	138.70	167.78
Other current assets	278.20	238.37	263.80
Subtotal - Current Assets	**2,578.41**	**2,218.80**	**2,668.23**
TOTAL – ASSETS	**3,519.72**	**3,157.91**	**3,627.44**

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended		
	June 30, 14	June 30, 13	Mar 31, 14
Revenues	100.00	100.00	100.00
Gross margin	36.42	35.44	35.11
SG & A	22.46	24.66	23.16
EBITDA	13.96	10.78	11.95
EBT	13.05	7.96	12.80
PAT	8.67	5.29	9.19

Revenue from Top 10 Clients	Quarter ended		
	June 30, 14	June 30, 13	Mar 31, 14
Top 10 Clients	32.04%	35.03%	33.94%
Top 5 Clients	19.87%	22.44%	20.29%
Top 3 Clients	14.11%	15.23%	13.75%
Largest Client	5.62%	5.36%	5.25%

Revenues by Geographies	Quarter ended		
	June 30, 14	June 30, 13	Mar 31, 14
USA	58.29%	54.72%	55.82%
Europe	22.60%	25.94%	26.23%
SEAC (South East Asia)	9.45%	11.28%	9.31%
India	5.88%	4.32%	5.29%
Others	3.78%	3.74%	3.35%
Total	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	June 30, 14	June 30, 13	Mar 31, 14
Onsite	74.89%	75.97%	74.95%
Offshore	74.62%	70.57%	72.55%
Blended	74.68%	71.79%	73.13%

Utilization (including trainees)	Quarter ended		
	June 30, 14	June 30, 13	Mar 31, 14
Onsite	74.89%	75.97%	74.95%
Offshore	70.78%	67.29%	69.07%
Blended	71.72%	69.19%	70.43%

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Consolidated Operational Data (Un-audited)

Human resources	As at		
	June 30, 14	June 30, 13	Mar 31, 14
Technical	**2,233**	**2,187**	**2,188**
Software services			
Onsite	319	291	305
Offshore	1,367	1,318	1,366
BPO			
Offshore	272	309	244
Onsite	184	189	192
Trainees	91	80	81
Support	**391**	**371**	**377**
Total count	**2,624**	**2,558**	**2,565**

(Rs. in mn, except DSO)

Key Balance Sheet Data	As At		
	June 30, 14	June 30, 13	Mar 31, 14
Receivable	1,199.82	1,105.52	1,089.00
Receivable in days ("DSO")	52	55	52
Total cash and bank balance*	995.13	823.67	1,238.97
Fixed assets	459.27	421.11	468.56
Shareholders` funds	2,373.92	2,091.12	2,434.01

*Including investments in liquid debt funds and fixed deposits with banks

Development/Service Centres Location	As on June 30, 2014	
	Covered areas in sq ft.	No. of seats
India		
Noida	76,980	1,428
Pune	25,190	436
Chennai	12,666	170
	114,836	2,034
USA		
Sacramento, CA	9,500	60
Salt Lake City, Utah	13,800	117
	23,300	177
South East Asia		
Singapore	7,125	42
Malaysia	3,365	31
Thailand	592	6
	11,082	79
Europe		
Netherlands	21,194	251
France	8,600	112
Romania	14,090	126
Poland	6,083	54
Moldova`	3,398	46
	53,365	589
Total	**202,583**	**2,879**

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Notes:

1. US$ equivalent figures are derived by converting the Rupee figures using average rates for profit & loss items and closing rate for balance sheet items.
2. Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period presentation.

About R Systems International Limited

R Systems International Limited founded in 1993, is one of the leading provider of outsourced product development and customer support services. We help companies to accelerate the speed to market their products and services with a high degree of time and cost predictability by using our proprietary pSuite framework. Clients can choose services specific to their needs from R Systems iPLM suite of services. We help companies to build scalable, configurable and secure products and applications; and help our clients to support their customers worldwide for products and services using our global delivery model in 20 languages. R Systems rapidly growing customer list includes a variety of Fortune 1000, government and mid-sized organizations across a wide range of industry verticals including Banking and Finance, High Technology, Independent Software Vendors, Telecom and Digital Media, Government, HealthCare, Manufacturing and Logistic Industries. R Systems maintains thirteen development and service centres and using our global delivery model we serve customers in USA, Europe, South America, India, the Far East, the Middle East and Africa.

Safe Harbor:

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