

R SYSTEMS INTERNATIONAL LIMITED
Registered Office : B - 104A, Greater Kailash - I, New Delhi - 110 048
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2011

(Rs. in lakhs, except per share data)

S. No.	Particulars	Quarter ended March 31,		Year ended
		2011	2010	December 31,
		(Unaudited)	(Unaudited)	2010 (Audited)
1 (a)	Income from operations	8,712.88	7,242.51	29,054.66
1 (b)	Other operating income	26.95	63.55	196.13
2	Expenditure			
(a)	Employees cost	6,024.60	4,812.58	19,098.59
(b)	Traveling and conveyance	613.74	438.97	1,945.64
(c)	Communication cost (refer note 10 below)	143.63	137.00	603.59
(d)	Legal and professional expenses	709.69	570.74	2,201.63
(e)	Provision for doubtful debts / advances	226.43	79.21	314.91
(f)	Depreciation / amortisation	330.71	330.81	1,330.86
(g)	Other expenditure	689.75	615.09	2,788.28
	Total expenditure	8,738.55	6,984.40	28,283.50
3	Profit from operations before other income, interest and exceptional items (1-2)	1.28	321.66	967.29
4	Other Income	69.83	115.21	495.15
5	Profit before interest and exceptional items (3+4)	71.11	436.87	1,462.44
6	Interest	1.78	2.14	6.64
7	Profit after interest but before exceptional items (5-6)	69.33	434.73	1,455.80
8	Exceptional items	-	-	-
9	Profit for the period / year from ordinary activities before tax (7+8)	69.33	434.73	1,455.80
10	Tax expense			
	Current tax	78.69	96.14	311.69
	MAT charge / (credit)	(20.50)	(132.00)	(102.58)
	Deferred tax charge / (credit) (refer note 9 below)	(129.81)	(187.31)	(430.95)
	Total tax expense / (credit)	(71.62)	(223.17)	(221.84)
11	Net profit for the period / year from ordinary activities after tax (9-10)	140.95	657.90	1,677.64
12	Extraordinary items (net of tax expense)	-	-	-
13	Net profit for the period / year (11-12)	140.95	657.90	1,677.64
14	Paid up equity share capital (Face value Rs. 10/- each)	1,224.30	1,224.30	1,224.30
15	Reserves and surplus excluding revaluation reserves as at December 31, 2010			16,801.04
16	Earnings per share (EPS)			
(a)	EPS for the period / year before extraordinary items			
	- Basic	1.14	5.34	13.62
	- Diluted	1.13	5.27	13.46
(b)	EPS for the period / year after extraordinary items			
	- Basic	1.14	5.34	13.62
	- Diluted	1.13	5.27	13.46
17	Public shareholding			
	- Number of shares	6,570,612	6,574,593	6,574,593
	- Percentage of shareholding	53.35	53.38	53.38
18	Promoters and Promoter Group Shareholding			
(a)	Pledged / encumbered			
	- Number of shares	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil
(b)	Non-encumbered			
	- Number of shares	5,746,274	5,742,293	5,742,293
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	46.65	46.62	46.62

Notes:

- The results for the quarter ended March 31, 2011 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on April 30, 2011.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter ended March 31, 2011 and March 31, 2010 and audit for the year ended December 31, 2010.
- Pursuant to the Initial Public Offer (IPO), R Systems International Limited (the "Company") collected Rs. 7,062.50 lakhs (net of selling shareholders' proceeds), details of utilisation of IPO proceeds are as follows:

(Rs. in lakhs)

Objects	Total estimated project cost*	Amount incurred till December 31, 2010	During January - March 2011	Amount incurred till March 31, 2011
Upgrading and expansion of existing infrastructure*	2,299.93	2,299.93	-	2,299.93
Repayment of outstanding loans	365.50	365.50	-	365.50
Financing general working capital requirements	1,795.10	1,795.10	-	1,795.10
General corporate purposes*	1,590.60	586.20	1,004.40	1,590.60
Meeting offer expenses*	1,011.37	1,011.37	-	1,011.37
Total	7,062.50	6,058.10	1,004.40	7,062.50

*The Company had obtained approval from its shareholders at the Annual General Meeting held on May 2, 2008 for reallocation in the estimated project cost among above mentioned heads.

The Company has utilised the balance IPO proceeds amounting to Rs. 1,004.40 lakhs under General corporate purposes towards the initial payout for the acquisition of 100% shares of Computaris International Limited, U.K. with this the Company has utilised the entire IPO proceeds and complete details relating to utilisation are incorporated in the above table.

- During the quarter ended March 31, 2011, the Company has acquired 100% of 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. The management has assessed investment value at Rs. 5,092.20 lakhs which represents the consideration assessed as probable to be paid over the period and accordingly recorded the goodwill on acquisition amounting to Rs. 3,095.82 lakhs. Computaris is having subsidiaries in U.K., Romania, Poland, Moldova, Malaysia and USA. Computaris provides services and solutions to telecom industry and specialises in real-time rating and convergent billing solutions. The above stated consolidated results includes the consolidated results of Computaris and its subsidiaries from the date of its acquisition.
- The Company has received a notice of termination of a contract from one of its customers, where the customer has claimed refund of amounts paid to the Company. While, the Company, basis legal opinion is confident of refuting the claim, it has, on prudent basis, not recognised revenue amounting to Rs. 87.81 lakhs from the said contract and considered provision for the amounts due from the customer amounting to Rs. 50.98 lakhs.
- 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. The Company is in the process of obtaining relevant regulatory approvals for the restructuring.
- The Board of Directors of the Company had recommended a dividend of Rs. 2.40 per share for the year ended December 31, 2010 at its meeting held on February 20, 2011 subject to the approval of the shareholders at the forthcoming annual general meeting.
- The Company has a policy of recognising deferred tax assets only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Accordingly, on the basis of such evaluation, the Company had recognised incremental deferred tax asset of Rs. 156 lakhs for the quarter ended March 31, 2010 and Rs. 318.07 lakhs for the year ended December 31, 2010.
- Communication cost includes Rs. 17.29 lakhs of prior period expenses recorded during the year ended December 31, 2010.
- There were no investor complaints received and disposed off during the quarter ended March 31, 2011. There were no pending complaints at the beginning and end of the quarter.
- Refer Annexure A for segment wise consolidated revenue, results and capital employed.
- Previous period's / year's figures have been regrouped / recasted wherever applicable, to the extent possible.

For and on behalf of the Board

Sd/-

Place : NOIDA
Date : April 30, 2011

Lt. Gen. Baldev Singh (Retd.)
[President & Senior Executive Director]

R SYSTEMS INTERNATIONAL LIMITED
SEGMENT WISE CONSOLIDATED REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in lakhs)

S.No.	Particulars	Quarter ended March 31,		Year ended December 31,
		2011	2010	2010
		(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue			
	- Software development and customisation services	7,141.51	5,747.85	23,262.89
	- Business process outsourcing services	1,596.93	1,518.75	5,890.30
	Less: Elimination of intersegment sales	25.56	24.09	98.53
	Income from operations	8,712.88	7,242.51	29,054.66
2	Segment results before tax and interest			
	- Software development and customisation services	109.78	487.33	1,503.62
	- Business process outsourcing services	(5.33)	(85.63)	(180.67)
	Total	104.45	401.70	1,322.95
	(i) Interest expense	(1.78)	(2.14)	(6.64)
	(ii) Interest income	69.83	115.21	495.15
	(iii) Other income	10.38	20.74	63.32
	(iv) Other unallocable expenses	(113.55)	(100.78)	(418.98)
	Profit before tax	69.33	434.73	1,455.80
3	Capital employed			
	- Software development and customisation services	14,041.40	10,722.39	10,910.55
	- Business process outsourcing services	(2,022.04)	(1,365.20)	(2,018.54)
	- Unallocated corporate	6,192.73	7,956.20	9,133.33
	Total capital employed	18,212.09	17,313.39	18,025.34