

R SYSTEMS INTERNATIONAL LIMITED
Registered Office : B - 104A, Greater Kailash - I, New Delhi - 110 048

Statement of Consolidated Unaudited Results for the Quarter and Nine Months Ended 30th September 2012

PART I		(Rs. in lakhs, except per share data)					
S. No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.12.2011
	(Refer notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
(a)	Income from operations	11,451.50	11,923.14	11,239.20	34,340.61	29,681.60	40,949.55
(b)	Other operating income	4.04	18.67	20.33	48.20	36.36	147.13
	Total income from operations	11,455.54	11,941.81	11,259.53	34,388.81	29,717.96	41,096.68
2	Expenses						
(a)	Employee benefits expense	7,963.09	7,820.90	6,520.36	23,372.63	19,079.34	26,228.30
(b)	Depreciation and amortisation expense	242.95	238.80	323.13	782.95	981.23	1,311.85
(c)	Traveling and conveyance	724.12	844.23	696.86	2,130.54	2,009.73	2,720.63
(d)	Communication costs	172.03	191.93	168.36	529.79	475.58	658.58
(e)	Legal and professional expenses	776.67	756.84	819.29	2,260.04	2,251.94	3,222.70
(f)	Provision for doubtful debts and advances (net)	24.21	(7.11)	174.51	206.16	359.41	669.69
(g)	Other expenses	848.01	1,365.76	1,969.39	2,974.47	3,327.20	4,521.48
	Total expenses	10,751.08	11,211.35	10,671.90	32,256.58	28,484.43	39,333.23
3	Profit from operations before other income, finance costs and exceptional items (1-2)	704.46	730.46	587.63	2,132.23	1,233.53	1,763.45
4	Other income	98.43	95.62	118.94	311.44	283.77	409.30
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	802.89	826.08	706.57	2,443.67	1,517.30	2,172.75
6	Finance costs	19.50	12.20	15.75	86.22	65.74	80.84
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	783.39	813.88	690.82	2,357.45	1,451.56	2,091.91
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	783.39	813.88	690.82	2,357.45	1,451.56	2,091.91
10	Tax expense						
	Current tax (refer note 7 below)	348.16	35.40	291.80	693.82	591.25	928.00
	MAT credit (refer note 8 below)	-	-	-	-	(20.50)	(70.56)
	Deferred tax charge / (credit) (refer note 9 below)	(27.39)	237.13	(62.34)	118.06	(226.56)	(416.78)
	Total tax expense	320.77	272.53	229.46	811.88	344.19	440.66
11	Net profit from ordinary activities after tax (9-10)	462.62	541.35	461.36	1,545.57	1,107.37	1,651.25
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net profit for the period / year (11-12)	462.62	541.35	461.36	1,545.57	1,107.37	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)	462.62	541.35	461.36	1,545.57	1,107.37	1,651.25
17	Paid - up equity share capital (Face value Rs. 10/- each) (refer note 10 below)	1,241.68	1,237.58	1,224.30	1,241.68	1,224.30	1,224.30
18	Reserves excluding Revaluation Reserves as at December 31, 2011	-	-	-	-	-	18,634.01
19.i	Earnings per share before extraordinary items (par value of Rs. 10/- each) (not annualised)						
(a)	Basic	3.71	4.35	3.75	12.44	8.99	13.41
(b)	Diluted	3.71	4.35	3.70	12.44	8.89	13.26
19.ii	Earnings per share after extraordinary items (par value of Rs. 10/- each) (not annualised)						
(a)	Basic	3.71	4.35	3.75	12.44	8.99	13.41
(b)	Diluted	3.71	4.35	3.70	12.44	8.89	13.26

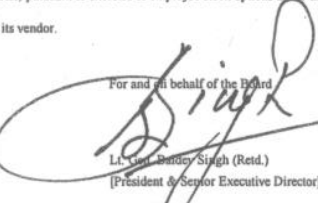
See accompanying notes to the financial results.

PART II							
A PARTICULARS OF SHAREHOLDING							
1	Public Shareholding						
-	Number of shares	6,129,669	6,151,390	6,557,494	6,129,669	6,557,494	6,455,801
-	Percentage of shareholding	49.07	49.41	53.24	49.07	53.24	52.41
2	Promoters and Promoter Group Shareholding						
(a)	Pledged / encumbered						
-	Number of shares	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	6,361,067	6,298,296	5,759,392	6,361,067	5,759,392	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	100.00
-	Percentage of shares (as a % of the total share capital of the Company)	50.93	50.59	46.76	50.93	46.76	47.59

Particulars		Three Months Ended
		30.09.2012
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 nine months ended September 30, 2012 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 27, 2012.
 - The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter and nine months ended September 30, 2012 and September 30, 2011, quarter ended June 30, 2012 and audit for the year ended December 31, 2011.
 - 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. During the quarter ended March 31, 2012, on fulfillment of certain conditions stipulated in the Share Purchase Agreement, the management has re-assessed and increased the investment value by Rs. 26.23 lakhs which represents the additional consideration assessed as probable to be paid over the period. The final payment to the erstwhile shareholders of Computaris is to be made by the Company on or before January 26, 2013 on the basis of earnings of Computaris for the period May 1, 2011 till April 30, 2012 along with fulfillment of certain other conditions under the Share Purchase Agreement. The Company is in the process of ascertaining the amounts due to be paid and as at September 30, 2012 have considered Rs 767.42 lakhs as the best estimate of the payment due.
 - 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 has been converted into equity investment and relevant regulatory approvals for the amalgamation of both the subsidiaries are in process.
 - Current tax during the quarter and nine months ended September 30, 2012 includes Rs. 38.69 lakhs pertaining to earlier periods.
 - MAT Credit during the year ended December 31, 2011 includes Rs. 81.56 lakhs pertaining to earlier periods.
 - Deferred tax credit for the year ended December 31, 2011 includes Rs 20.59 lakhs pertaining to earlier periods.
 - During the nine months ended September 30, 2012, the Company has issued 173,850 equity shares of Rs. 10 each, of which 41,050 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.
 - Claim against a subsidiary of the Company from one of its customer amounting to Rs 449.25 lakhs has not been acknowledged as debt considering the recourse that the subsidiary has on its vendor.
 - Refer Annexure A for segment wise consolidated revenue, results and capital employed.
 - 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: October 27, 2012

For and on behalf of the Board

Lt. Genl. Badley Singh (Retd.)
(President & Senior Executive Director)

S.R. Batliboi & Co., Gurgaon
Signed for Identification

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

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R SYSTEMS INTERNATIONAL LIMITED						Annexure A
Segment Wise Consolidated Revenue, Results and Capital Employed						(Rs. in lakhs)
S.No.	Particulars	Three Months Ended			Nine Months Ended	
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Segment revenue					
	- Software development and customisation services	9,276.10	9,807.98	9,514.03	27,810.94	24,920.83
	- Business process outsourcing services	2,213.98	2,153.84	1,756.11	6,642.09	4,848.63
	Less: Elimination of intersegment sales	38.58	38.68	30.94	112.42	87.86
	Income from operations	11,451.50	11,923.14	11,239.20	34,340.61	29,681.60
2	Segment results before tax and interest					
	- Software development and customisation services	621.66	771.99	588.16	2,068.23	1,478.16
	- Business process outsourcing services	206.02	96.99	83.21	425.12	31.41
	Total	827.68	868.98	671.37	2,493.35	1,509.57
	(i) Interest expense	(2.63)	(2.15)	(1.65)	(6.48)	(5.17)
	(ii) Interest income	98.43	95.62	118.94	311.44	283.77
	(iii) Other unallocable income	-	-	20.33	-	36.36
	(iv) Other unallocable expenses	(140.09)	(148.57)	(118.17)	(440.86)	(372.97)
	Profit before tax	783.39	813.88	690.82	2,357.45	1,451.56
3	Capital employed					
	- Software development and customisation services	12,951.55	14,949.43	15,182.67	12,951.55	15,182.67
	- Business process outsourcing services	(980.54)	(1,158.95)	(2,137.33)	(980.54)	(2,137.33)
	- Unallocated corporate	7,419.49	5,268.36	6,402.35	7,419.49	6,402.35
	Total capital employed	19,390.50	19,058.84	19,447.69	19,390.50	19,447.69

S.R. Batlibol & Co., Gurgaon
Signed for Identification

For R SYSTEMS INTERNATIONAL LTD.

President & Senior Executive Director

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary