

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				

CERTIFIED TRUE COPY

S.R. Batliboi & Associates LLP, Gurgaon

For R SYSTEMS INTERNATIONAL LTD for identification

Company Secretary

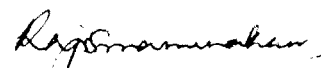
Page 9 of 25

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.

Place : NOIDA
Date : July 26, 2014

For and on behalf of the Board



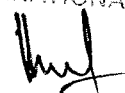
Raj Swaminathan
[Director & Chief Operating Officer]

S.R. Batliboi & Associates LLP, Gurgaon

for identification

CERTIFIED TRUE COPY

For R SYSTEMS INTERNATIONAL LTD.



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

S.R. Batliboi & Associates LLP, Gurgaon

for identification

CERTIFIED TRUE COPY

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			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

S.R. Battiboi & Associates LLP, Gurgaon

for identification

CERTIFIED TRUE COPY

For R SYSTEMS INTERNATIONAL LTD.


Company Secretary