



R Systems Revenue Crosses US\$100 mn in Calendar Year 2013

**YOY Revenue Growth 28.18 % and Net Profit Growth 187.00 %
Recommends Dividend of Rs. 9.50 per share of face value of Rs. 10/-**

Noida, India – February 7, 2014

Highlights

Consolidated results for FY ended December 31, 2013

- Consolidated revenue for FY 2013 was Rs. 596.05 crores (US\$ 101.76 mn.) as against Rs. 465.01 crores (US\$ 87.05 mn.) in FY 2012; YoY increase of 28.18 %.
- Earnings before interest, depreciation, taxes and allowances (“EBITDA”) for FY 2013 were Rs. 78.64 crores (US\$ 13.43 mn.) as against Rs. 34.84 crores (US\$ 6.53 mn.) in FY 2012; YoY increase of 125.74 %.
- Net profit after taxes for FY 2013 was Rs. 52.70 crores (US\$ 9.00 mn) as against Rs. 18.36 crores (US\$ 3.44 mn) in FY 2012; YoY increase of 187.00 %.
- Earnings per share (face value of Rs 10/- each) of Rs. 41.78 for FY 2013 as against Rs. 14.76 in FY 2012 equivalent to Rs. 4.18 per share for the year 2013 and Rs. 1.48 per share for the year 2012 post sub-division of share into Re. 1/- face value.
- Total cash and bank balances as at December 31, 2013 were Rs. 111.52 crores as against Rs. 88.94 crores as at December 31, 2012.

Consolidated results for the quarter ended December 31, 2013

- Consolidated revenue from operations for Q4-13 was Rs. 165.55 crores (US\$ 26.78 mn) compared to Rs. 121.60 crores (US\$ 22.44 mn) in Q4, 2012 and Rs. 160.42 crores (US\$ 25.89 mn) in Q3, 2013. YoY increase was 36.14 % and QoQ increase was 3.20 %.
- EBITDA was Rs 29.28 crores (US\$ 4.83 mn) compared to Rs. 5.89 crores (US\$ 1.08 mn) in Q4, 2012 and Rs. 28.71 crores (US\$ 4.85 mn) in Q3, 2013. YoY increase was 397.23 % and QoQ increase was 2.00%.
- Net profit after taxes was Rs. 21.77 crores (US\$ 3.61 mn) compared to Rs. 2.91 crores (US\$ 0.53 mn) in Q4, 2012 and Rs. 18.05 crores (US\$ 3.05 mn) in Q3, 2013. YoY increase was 648.92 % and QoQ increase was 20.59 %.

Others

- During the quarter, R Systems added 8 key customers.
- Total associates as on December 31, 2013 were 2,582 compared to 2,566 at the end of December 31, 2012 and 2,563 at the end of September 30, 2013.



Mr. Rekhi Singh, Chairman and MD stated “We have joined the elite club of companies with revenue over USD 100 mn. Over the year we added over 15 marquee clients with profitability across all business verticals and geographies. We have a strong balance sheet with constant cash generation and are keen to invest further in research and development, and creating more innovative solutions.”

He added, “ Year 2014 looks promising for the Company and considering the overall performance, the Board has recommended a final dividend of Rs. 9.50 per share having face value of Rs. 10/- (in addition to earlier declared interim dividends of Rs. 11 per share) subject to approval of shareholders.”

Mr. Raj Swaminathan Executive Director and COO said “We are able to achieve record revenue and profitability through discipline in execution. During 2013, we served 25 million dollar plus accounts including 6 accounts contributing dollar three million plus revenues.” He added, “Our Indus Product Business won the Financial Express “IT Solution of the Year” award for the high impact and innovative solution we delivered for India’s one of the most respected Insurance companies. We were declared the Category winner by an elite jury panel comprising highly regarded Business / IT and Academic leaders.”

Dividend Declaration

The Board of Directors at its meeting held on February 7, 2014 has recommended a final dividend of Rs 9.50 per share having face value of Rs. 10/- each (being 95% on face value) , subject to approval of the shareholders at the forthcoming Annual General Meeting. This is in addition to first and second interim dividend of Rs. 2.50 and Rs. 8.50 per equity share declared earlier during the year 2013.

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.

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.

The quarter concluded with 8 key new customers and has a strong pipeline across the business verticals and geographies. The brief of some significant wins are listed below:



One of the leading providers of cloud-based HR and payroll solutions for SME businesses in USA has selected R Systems USA subsidiary for development of its billing and expense management modules along with revamping its existing legacy application.

One of the leading Swiss banks offering a wide range of products including loans, leasing, credit cards and savings products has selected R Systems to implement a project to upgrade its key front end applications.

A UK based new mobile phone manufacturer has selected R Systems' European BPO arm to provide technical support and customer services for its new range of smart phones.

A large auto manufacturer establishing its wholly owned captive financing company has chosen R Systems' flagship Indus product lending solutions for a wing-to-wing implementation for its lending and leasing business covering retail and corporate customers.

One of India's fastest growing scheduled commercial banks specialising in Agri & Development banking has chosen R Systems' Indus Collections solution for implementation across its multi-portfolio retail lending operations.

One of Malaysia's largest business conglomerates engaged in various businesses e.g. Automotive, hotels & resorts and health care etc. across Asia Pacific region has selected R Systems' subsidiary ECnet Limited to implement a renowned financial consolidation and reporting solution along with corporate performance management solution.

Liquidity and Shareholder Funds

Total Consolidated Cash and bank balance, including bank deposits and liquid debt funds, as at December 31, 2013 was Rs. 111.52 crores compared to Rs. 88.94 crores as on December 31, 2012. Total shareholder funds as on December 31, 2013 were Rs. 231.76 crores compared to Rs. 194.60 crores as on December 31, 2012.

Financial Performance

Consolidated Profit & Loss Statement for the Quarter Ended December 31, 2013

(As per Indian GAAP)

(Rs. in mn)

Sr. No.	Particulars	Quarter Ended December 31,		Quarter Ended September 30, 2013
		2013	2012	
1	Income			
1.1	Income from operations	1,655.51	1,216.03	1,604.23
1.2	Other operating income	0.96	2.89	0.70
	Total	1,656.47	1,218.92	1,604.93
2	Expenses			
2.1	Employee benefits expense	942.75	794.18	905.88
2.2	Depreciation and amortisation expense	28.17	22.60	26.47
2.3	Traveling and conveyance	81.14	84.28	92.61
2.4	Communication costs	24.25	19.27	21.84
2.5	Legal and professional expenses (including subcontract expenses)	171.39	112.44	161.92
2.6	Provision for doubtful debts and advances (net)	0.88	0.32	(2.37)
2.7	Other expenses	119.85	142.82	157.61
	Total expenses	1,368.43	1,175.91	1,363.96
3	Profit from operations before other income and finance cost	288.04	43.01	240.97
4	Other income	10.11	11.19	9.44
5	Profit from operations before finance cost	298.15	54.20	250.41
6	Finance cost	2.22	1.41	1.56
7	Profit before tax	295.93	52.79	248.85
8	Tax expense			
8.1	Current tax	76.02	25.60	70.42
8.2	Deferred tax charge / (credit)	2.20	(1.87)	(2.11)
	Total tax expense	78.22	23.73	68.31
9	Net profit after tax	217.71	29.06	180.54

Financial Performance

Consolidated Profit & Loss Statement for the Year Ended December 31, 2013

(As per Indian GAAP)

(Rs. in mn)

Sr. No.	Particulars	December 31,	
		2013	2012
1	Income		
1.1	Income from operations	5,960.54	4,650.09
1.2	Other operating income	6.80	7.71
	Total	5,967.34	4,657.80
2	Expenses		
2.1	Employee benefits expense	3,573.87	3,126.28
2.2	Depreciation and amortisation expense	101.71	100.89
2.3	Traveling and conveyance	345.94	300.53
2.4	Communication costs	86.67	75.31
2.5	Legal and professional expenses (including subcontract expenses)	595.20	338.44
2.6	Provision for doubtful debts and advances (net)	33.44	20.94
2.7	Other expenses	545.12	442.45
	Total expenses	5,281.95	4,404.84
3	Profit from operations before other income and finance cost	685.39	252.96
4	Other income	40.35	42.33
5	Profit from operations before finance cost	725.74	295.29
6	Finance cost	7.48	6.75
7	Profit before tax	718.26	288.54
8	Tax expense		
8.1	Current tax	204.82	94.99
8.2	MAT credit	(12.32)	-
8.3	Deferred tax charge / (credit)	(1.23)	9.93
	Total tax expense	191.27	104.92
9	Net profit after tax	526.99	183.62

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended December 31, 2013 (Contribution Analysis Format; Basis Indian GAAP)

(FIGURES IN MN)

Particulars	Q4 2013		Q4 2012		Q3 2013	
	INR	US\$	INR	US\$	INR	US\$
Revenues	1,655.51	26.78	1,216.03	22.44	1,604.23	25.89
Cost of revenues	1,006.46	16.23	807.47	14.91	977.10	15.66
Gross margin	649.05	10.55	408.56	7.53	627.13	10.23
SG & A	39.21%		33.60%		39.09%	
Expenses	356.23	5.72	349.67	6.45	340.03	5.38
	21.52%		28.76%		21.20%	
EBITDA	292.82	4.83	58.89	1.08	287.10	4.85
	17.69%		4.84%		17.90%	
Depreciation and amortization	28.17	0.46	22.60	0.41	26.47	0.43
Income from operations	264.65	4.37	36.29	0.67	260.63	4.42
Interest expense	(0.38)	(0.00)	(0.21)	(0.00)	(0.28)	(0.00)
Other income (net)	31.66	0.54	16.71	0.30	(11.50)	(0.21)
Income before income tax	295.93	4.91	52.79	0.97	248.85	4.21
Income tax provision	78.22	1.30	23.73	0.44	68.31	1.16
Net earnings	217.71	3.61	29.06	0.53	180.54	3.05

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Year Ended December 31, 2013 (Contribution Analysis Format; Basis Indian GAAP)

(FIGURES IN MN)

Particulars	Year 2013		Year 2012	
	INR	US\$	INR	US\$
Revenue	5,960.54	101.76	4,650.09	87.05
Cost of revenue	3,769.14	64.34	3,014.08	56.44
Gross margin	2,191.40	37.42	1,636.01	30.61
	36.76%		35.18%	
SG & A				
Expenses	1,404.98	23.99	1,287.65	24.07
	23.57%		27.69%	
EBITDA	786.42	13.43	348.36	6.53
	13.19%		7.49%	
Depreciation and amortization	101.71	1.74	100.89	1.89
Operating income before non-recurring cost	684.71	11.69	247.47	4.64
Non-recurring cost	-	-	29.45	0.56
Income from operations	684.71	11.69	218.02	4.08
Interest expense	(1.23)	(0.02)	(0.86)	(0.02)
Other income (net)	34.78	0.59	71.38	1.34
Income before income tax	718.26	12.26	288.54	5.40
Income tax provision	191.27	3.26	104.92	1.96
Net earnings	526.99	9.00	183.62	3.44

Consolidated Balance Sheet as at December 31, 2013 (As per Indian GAAP)

(Rs. in mn)

Particulars	As at		
	Dec 31, 2013	Dec 31, 2012	Sep 30, 2013
	(Audited)	(Audited)	(Unaudited)
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	125.92	124.47	125.92
Reserves and Surplus	2,191.69	1,821.53	2,114.18
Sub-Total Shareholder's Funds	2,317.61	1,946.00	2,240.10
Minority interest	-	-	-
Non-current liabilities			
Long-term borrowings	8.80	3.45	9.36
Other long term liabilities	4.38	7.28	4.28
Long-term provisions	73.44	71.24	73.67
Subtotal - Non-current liabilities	86.62	81.97	87.31
Current liabilities			
Trade payables	514.62	396.12	491.39
Other current liabilities	177.45	200.46	191.57
Short-term provisions	375.65	350.97	456.35
Subtotal- Current Liabilities	1,067.72	947.55	1,139.31
TOTAL - EQUITY AND LIABILITIES	3,471.95	2,975.52	3,466.72
ASSETS			
Non-current assets			
Fixed assets	463.00	387.07	458.74
Goodwill on consolidation	291.11	274.00	288.33
Non-current investments	0.03	0.03	0.03
Deferred tax assets (net)	55.35	54.83	59.08
Long-term loans and advances	84.38	104.78	86.47
Other non-current assets	96.23	80.30	274.92
Subtotal - Non- current assets	990.10	901.01	1,167.57
Current assets			
Current Investment	10.00	-	10.00
Trade receivables	1,040.93	980.63	1,076.74
Cash and bank balance	1,014.54	814.56	810.40
Short-term loans and advances	150.15	107.34	139.61
Other current assets	266.23	171.98	262.40
Subtotal - Current Assets	2,481.85	2,074.51	2,299.15
TOTAL - ASSETS	3,471.95	2,975.52	3,466.72

Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended			Year Ended	
	Dec 31, 13	Dec 31, 12	Sep 30, 13	Dec 31, 13	Dec 31, 12
Revenues	100.00	100.00	100.00	100.00	100.00
Gross margin	39.21	33.60	39.09	36.76	35.18
SG & A	21.52	28.76	21.20	23.57	27.69
EBITDA	17.69	4.84	17.90	13.19	7.49
EBT	17.88	4.34	15.51	12.05	6.20
PAT	13.15	2.39	11.25	8.84	3.95

Revenue from Top 10 Clients	Quarter ended			Year Ended	
	Dec 31, 13	Dec 31, 12	Sep 30, 13	Dec 31, 13	Dec 31, 12
Top 10 Clients	35.74%	35.75%	35.34%	34.68%	38.87%
Top 5 Clients	20.35%	22.37%	22.19%	21.97%	26.36%
Top 3 Clients	13.32%	15.23%	14.68%	14.74%	19.21%
Largest Client	4.85%	5.58%	5.30%	5.11%	8.01%

Revenues by Geographies	Quarter ended			Year Ended	
	Dec 31, 13	Dec 31, 12	Sep 30, 13	Dec 31, 13	Dec 31, 12
USA	54.75%	51.06%	57.60%	55.66%	51.14%
Europe	27.34%	25.20%	24.29%	25.46%	26.98%
SEAC (South East Asia)	9.10%	10.19%	9.82%	10.17%	9.84%
India	5.85%	5.28%	4.03%	4.77%	5.71%
Others	2.96%	8.27%	4.26%	3.94%	6.33%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	Dec 31, 13	Dec 31, 12	Sep 30, 13
Onsite	73.76%	65.52%	73.52%
Offshore	75.29%	70.57%	73.05%
Blended	74.92%	69.45%	73.16%

Utilization (including trainees)	Quarter ended		
	Dec 31, 13	Dec 31, 12	Sep 30, 13
Onsite	73.76%	65.52%	73.52%
Offshore	71.63%	64.64%	70.10%
Blended	72.13%	64.82%	70.87%

Consolidated Operational Data (Un-audited)

Human resources	As at		
	Dec 31, 13	Dec 31, 12	Sep 30, 13
Technical	2,206	2,183	2,193
Software services			
Onsite	307	286	306
Offshore	1,351	1,282	1,349
BPO			
Offshore	261	314	285
Onsite	201	161	195
Trainees	86	140	58
Support	376	383	370
Total count	2,582	2,566	2,563

(Rs. in mn, except DSO)

Key Balance Sheet Data	As At		
	Dec 31, 13	Dec 31, 12	Sep 30, 13
Receivable	1,040.93	980.63	1,076.74
Receivable in days (“DSO”)	52	60	55
Total cash and bank balance*	1,115.20	889.39	1,087.54
Fixed assets	463.00	387.07	458.74
Shareholders’ funds	2,317.61	1,946.00	2,240.10

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

Development/Service Centres Location	As on December 31, 2013	
	Covered areas in sq ft.	No. of seats
India		
Noida	76,980	1,441
Pune	25,190	436
Chennai	12,666	170
	114,836	2,047
USA		
Sacramento, CA	9,500	60
Salt Lake City, Utha	13,800	117
	23,300	177
South East Asia		
Singapore	7,125	42
Malaysia	3,822	37
Thailand	592	10
	11,539	89
Europe		
Netherlands	21,194	251
France	8,600	112
Romania	14,090	126
Poland	4,865	39
Moldova	3,398	44
	52,147	572
Total	201,822	2,885



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, the Far East, the Middle East and Africa.

Safe Harbor:

Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.

For further information please contact:

Nand Sardana
Chief Financial Officer
Tel # 0120 – 4303506
Fax # 0120 – 4082699
Email: nand.sardana@rsystems.com

Kumar Gaurav
GM Finance & Accounts
Tel # 0120 – 4082650
Fax # 0120 – 4082699
Email: kumar.gaurav@rsystems.com

Vikash Kumar Tiwari
Company Secretary & Compliance Officer
Tel # 0120 - 4082633
Fax # 0120 – 4082699
Email: vikash.tiwari@rsystems.com