SYSTEMS

THE WORLD IS OUR OYSTER...

Revealing hidden value

Celebrating 20 Years of Innovative Growth

1993-2013

Like the "Shakespearean Oyster" in which the English Writer saw a world of great opportunity.

Telecom and Digital Media

BFSI

Healthcare

Manufacturing and Logistics

CONTENTS

Safe Harbor:

Certain Statement in this report concerning our future growth prospects are forward-looking statements, which involves a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT and ITES services and solutions including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international marketing and sales operations, reduced demand for technology and consulting services in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts and product warranty, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements and does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

CORPORATE INFORMATION

The Board of Directors
as on April 15, 2013

1. **Mr. Satinder Singh Rekhi**
   (Chairman and Managing Director)
2. **Lt. Gen. Baldev Singh (Retd.)**
   (President and Senior Executive Director)
3. **Mr. Raj Swaminathan**
   (Director and Chief Operating Officer)
4. **Mr. Raj Kumar Gogia**
   (Non Executive Independent Director)
5. **Mr. Gurbax Singh Bhasin**
   (Non Executive Independent Director)
6. **Mr. Suresh Paruthi**
   (Non Executive Independent Director)
7. **Mr. Anuj Kanish**
   (Non Executive Independent Alternate Director to Mr. Gurbax Singh Bhasin)

Company Secretary and Compliance Officer

Mr. Vikash Kumar Tiwari

Committees of the Board of Directors

Audit Committee

1. **Mr. Raj Kumar Gogia**
   (Chairman)
2. **Mr. Gurbax Singh Bhasin**
   (Member)
3. **Mr. Suresh Paruthi**
   (Member)
4. **Mr. Anuj Kanish**
   (Non Executive Independent Alternate Director to Mr. Gurbax Singh Bhasin)

Shareholders / Investors Grievance Committee

1. **Mr. Raj Kumar Gogia**
   (Chairman)
2. **Mr. Suresh Paruthi**
   (Member)
3. **Mr. Satinder Singh Rekhi**
   (Member)
4. **Lt. Gen. Baldev Singh (Retd.)**
   (Member)

Remuneration Committee

1. **Mr. Raj Kumar Gogia**
   (Chairman)
2. **Mr. Gurbax Singh Bhasin**
   (Member)
3. **Mr. Suresh Paruthi**
   (Member)
4. **Mr. Anuj Kanish**
   (Non Executive Independent Alternate Director to Mr. Gurbax Singh Bhasin)

Compensation Committee

1. **Mr. Raj Kumar Gogia**
   (Chairman)
2. **Mr. Suresh Paruthi**
   (Member)
3. **Lt. Gen. Baldev Singh (Retd.)**
   (Member)

Committee of Independent Directors for Open Offer

1. **Mr. Raj Kumar Gogia**
   (Chairman)
2. **Mr. Gurbax Singh Bhasin**
   (Member)
3. **Mr. Suresh Paruthi**
   (Member)
4. **Mr. Anuj Kanish**
   (Non Executive Independent Alternate Director to Mr. Gurbax Singh Bhasin)

Registered Office

B - 104A, Greater Kailash - I,
New Delhi - 110 048, India

Corporate Office

C - 40, Sector - 59,
Noida (U.P.) - 201 307, India

Statutory Auditors

S. R. Batliboi & Co. LLP
(Formerly S. R. Batliboi & Co.)
Chartered Accountants
Golf View Corporate Tower - B,
Sector - 42, Sector Road,
Gurgaon - 122 002, Haryana, India

Registrar and Share Transfer Agent

M/s Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase- I
Near PVR Naraina,
New Delhi - 110 028, India

Bankers to the Company

1. State Bank of India
2. ICICI Bank Limited
3. HDFC Bank Limited
4. Axis Bank Limited
5. The Royal Bank of Scotland
6. Oriental Bank of Commerce
7. Vijaya Bank
8. State Bank of Bikaner and Jaipur
9. Canara Bank
10. Kotak Mahindra Bank
11. California Bank and Trust, U.S.A.
12. State Bank of India, U.K.
13. ABN Amro Bank, The Netherlands
14. Sumitomo Mitsui Banking Corporation (SMBC), Japan

Listed At

1. National Stock Exchange of India Limited
2. BSE Limited

Subsidiaries of R Systems International Limited

1. R Systems (Singapore) Pte Limited, Singapore
2. R Systems, Inc., U.S.A.
3. Indus Software, Inc., U.S.A.
4. ECnet Limited, Singapore
5. R Systems Solutions, Inc., U.S.A.
6. R Systems NV, Belgium
7. R Systems Europe B.V., The Netherlands
8. R Systems S.A.S., France
9. Computaris International Limited, U.K.
10. Systèmes R. International Ltée, Canada (became wholly owned subsidiary w.e.f. October 29, 2012)

Subsidiaries of ECnet Limited

11. ECnet (M) Sdn. Bhd., Malaysia
12. ECnet Inc., U.S.A.
13. ECnet (Hong Kong) Limited, Hong Kong
14. ECnet Systems (Thailand) Company Limited, Thailand
15. ECnet Kabushiki Kaisha, Japan
16. ECnet (Shanghai) Co. Ltd., People's Republic of China

Subsidiaries of Computaris International Limited (became wholly owned subsidiary w.e.f. January 26, 2011)

17. ICS Computaris International Srl, Moldova
18. Computaris Malaysia Sdn. Bhd., Malaysia
19. Computaris Polska Sp z o.o., Poland
20. Computaris Romania SRL, Romania
21. Computaris USA, Inc.
22. Computaris Limited, U.K.

20 YEARS OF A
DAZZLING JOURNEY

Like the pearl that traverses the oceans, cocooned in the oyster. Exploring endless opportunities. And ultimately delivering great value.

Shakespeare, in his `The Merry Wives of Windsor', first referred to the world as an oyster containing the fortune which his protagonist Pistol was determined to acquire. Over the years, this phrase has come to refer to a world packed with opportunities, to be leveraged and enjoyed. This analogy is highly apt for R Systems, which is continuously striving to open the oyster to seek out the precious pearls that are constantly adding value to the Company.

As the oyster is pushed by the ocean currents to produce precious pearls, so are we steered by the unstinted dedication, diligence and hard work of our people to grow into a valuable organizational entity!

We began our journey in 1993 as a fledgling IT consulting firm in Sacramento, California. During our 20-year journey, we have grown in depth and expanded globally the scale of our operations along with delivering exceptional value to each of our stakeholders.

In the year 2000, we emerged onto the global map through near shore and Offshore Development Services. And we realized that the world is our oyster… ready to nurture and nourish our growth.

Along the way, we met with encouraging responses from customers, partners and endorsements from venture capitalists.

In 2003, we extended our offering into the business process outsourcing services. Our journey picked up pace when we began acquiring like-minded firms globally that aligned with our strategy to acquire technology, domain and a strong clientele; launching us onto a growth highway.

In 2006, we completed our IPO 'Initial Public Offering' and listed on India's largest stock exchanges i.e., the NSE and BSE. The IPO proceeds were used to improve our infrastructure and systems, organic growth and strategic acquisitions, and better service to our customers.

WE STRENGTHENED...

... our footprint across the globe – acquiring companies in the US, Singapore and Europe

... our inherent quality assessments – acquiring quality assessments and certifications

... our financial base – strong shareholder funds and cash reserves to invest in future growth

In 2010, we entered our next phase of development. Sustaining our growth momentum, we consolidated our business both horizontally and vertically and have added depth to both our technology and domain strengths.

And, as we turn 20, we delight our customers across the globe with an array of services and products across our four chosen verticals for specialization.

At the threshold of our 21st year with our specialized domain knowledge around focused verticals, geographical presence represented by 13 development and service centres spread across India, USA, Europe and Singapore along with matured quality and people practices, we are excited to grow the business with support of our satisfied customers.

And like the pearl in the oyster, to evolve into something even more precious and valuable to all our stakeholders. To emerge even brighter and more sparkling.

Through this annual report, we reveal to you the hidden value of the Company, as unveiled by the global oyster in which we have evolved and grown over the last two decades. We reveal the depth and the scale which is our hallmark today, as we embark onto the next phase of our journey.

CELEBRATING 2 DECADES IN BUSINESS

Revealing the real value of our entity

Just as the oyster opens itself to reveal the precious pearl, we have opened our doors, through the last two decades, to reveal to our customers the great value offered by the entity called, R Systems.

Established in 1993, we transformed from an IT consulting firm into a global Outsourced Product Development (OPD) company, which we define as Integrated Product Life Cycle Management (iPLM) services. Thereafter, we extended our offerings into business process outsourcing services and our products suite in BFSI, Telecom and Manufacturing and Logistic verticals.

In 2010, we redefined our focus to align ourselves to the transforming needs of our existing and prospective clients. We sharpened our strategic focus to become more innovative and global so as to steer our growth as a leading player in the domains of our presence.

Our iPLM-led strategy across our product suite and customer-owned IP covers and focuses on our chosen and specialized four verticals – Telecom and Digital Media, BFSI, Healthcare, and Manufacturing and Logistics.

As we celebrate two decades in business, we have built a 140+ customer base, which includes Fortune 1000 companies, Government and Mid-sized organizations, worldwide. Using our global delivery model, we serve customers in the US, Europe, South America, the Far East, Middle East and Africa.

We have 2,500+ expert resources who empower our 13 development and service centres spread across India, USA, Singapore, Netherlands, France, Romania, Poland and Moldova.

Over the last 20 years, we have earned several renowned global certifications and standards, such as SEI CMMI Level 5, ISO 27001:2005, ISO 9001:2008 and PCMM Level 5. Our continuing compliance with these standards demonstrates the strength of our processes and gives us a competitive edge in offering distinctive services and products.

20 YEARS OF DELIGHTING CUSTOMERS

Revealing our precious bouquet of services and products

During our two-decade-long journey from inception to the position we have achieved today, we have traversed many phases to evolve into a growth-oriented, process-driven, and people-centric organization. Today, we are happy to reveal the expanse of our innovative IT and BPO services and end-to-end software products, which delight our customers, globally.

OUR BOUQUET OF SERVICES

iPLM Services

Under iPLM services, we deliver solutions and services in the areas of Information Technology (IT) and Information Technology Enabled Services (ITES).

Our iPLM IT services are designed to help Independent Software Vendors (ISVs) become more competitive, increase product life spans and reduce time-to-market through:

- Product conceptualization
- Product development
- Product maintenance and support
- Product testing

SERVICE OFFERINGS

	New Product Development (NPD)		Product Maintenance (PM)	
			Growth Cycle	**Sunset Cycle**
Key Activities	- New Product Envision and Definition - Rapid Prototyping and Development		- Enhancement to existing product - Product Maintenance and Support	- Product Support - Bug Fixes - Helpdesk
RSI Offering	- New Product Development - Compatibility Testing - Porting and Migration		- Product Re-engineering - Product Maintenance - Customization	- Product Sustenance - Helpdesk Services

TESTING / QA SERVICES

Manual Testing	Automated Testing	Product Testing	Offshore Testing Labs	Quality Assurance

BUSINESS MODELS

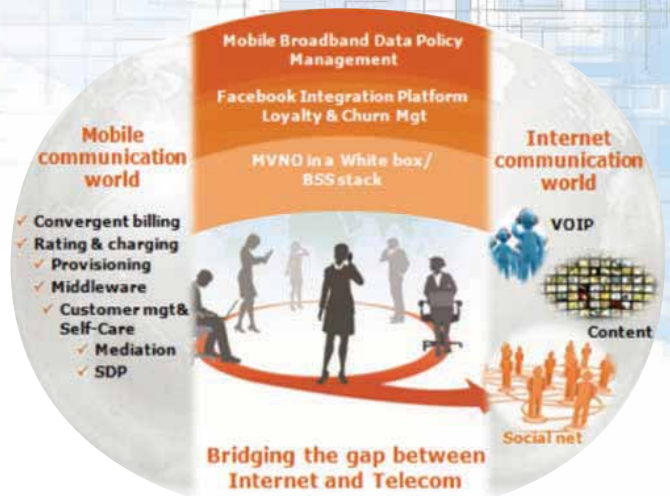| Fixed Bid	Time and Material	Hybrid	Dedicated ODC

"R Systems has mature iPLM delivery capabilities in all areas of the lifecycle"

"R Systems is the preferred partner for a number of Leading Independent Software Vendors, Worldwide"

Further, under iPLM suite of services, Computaris, our European and Telecom arm, offers high-level telecom expertise in the areas of real-time rating and charging, messaging, provisioning, mediation, subscriber data management, mobile broadband data policy management, loyalty and churn management.

The project portfolio ranges from very specific telecom consultancy assignments to complete deployment and migration of mission-critical real-time systems, going through software development, customization, integration, migration, support and maintenance.

Our iPLM IT services comprise 1100+ expert resources to service 80+ customers, with a portfolio of 1500+ products.

Our ITES offering covers customer care and technical support, managed services, NOC support, high-end quality process management and revenue and claims management, using global delivery model with multi-language support capabilities. Our 450+ expert resources in this segment are servicing 20+ customers using our global delivery model.

BUSINESS PROCESS MANAGEMENT SERVICES				
North America, Europe, Asia	**Customer Care**	**Technical Support**	**Managed Services**	**Back Office Services**
Demonstrated experience	- Account set-up - User registration - Billing queries - Billing dispute resolution - Credit/refund process	- Installation support - How to issues - Upgrades - L1, L2 and L3 support	- Data analytics - Speech analytics - Compliance analysis	- Payment processing - Insurance claims processing - Account reconciliation - Transaction processing
Selected client examples	- Customer care for leading mobile messaging application provider - 250,000+ subscribers - Customer care and support for cell personalization company - Collections process from India for a financial services company	- L1 support for leading mobile messaging application provider - 400,000+ subscribers - 100 agent team - Offshore and Onshore - L1 and L2 support for leading network security solutions provider catering to SMBs	- Speech analytics for large scale contact centres for heathcare utilities and banking customers - Revenue management and Fraud management services for one of the largest global telecom operators	- Insurance claims processing for one of the largest healthcare service providers with monthly processing of over $ 100 million - End-to-end revenue cycle management services for a larger chain of USA hospitals

Supporting customers across 30+ countries in 20+ languages 24/7

Through our spectrum of services and solutions, we endeavor to become a 'one-stop-shop' for our customers across our focused industry verticals.

20 YEARS OF
DELIGHTING CUSTOMERS

OUR BOUQUET OF PRODUCTS

Leveraging our deep domain knowledge in Banking and Financial Services Industry (BFSI), Telecom and Manufacturing and Logistics domains, coupled with the expert resources that we have acquired during our two-decade-long journey, we have an assortment of appealing products. These products are in the form of standardized solutions being offered for respective industry verticals.

BFSI

- Loan Origination
- Loan Servicing
- Debt Collections
- Collateral Management
- Commissions and Incentives
- Inventory Funding
- Renewals and Retention System (iPerSyst)
- Corporate Loan Origination

TELECOM

- Credit Management and Revenue Collections
- Dealer Management Solution
- Customer Acquisition System
- Commissions and Incentives
- Sophisticated Automatic Testing Capabilities - Computaris TOP testing Suite for IT and telecom protocols

MANUFACTURING AND LOGISTICS

- Supply Chain Management Solutions
- Enterprise Solutions