

**R SYSTEMS INTERNATIONAL LIMITED**  
**Registered Office : B -104 A, Greater Kailash - I, New Delhi - 110 048**  
**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31ST, 2006**

(Rs. in lacs, except per share data)

| Sr. No. | Particulars   | Quarter ended  |                | Year ended        |
|---------|---|----------------|----------------|-------------------|
|         |   | March 31, 2006 | March 31, 2005 | December 31, 2005 |
|         |   | (Reviewed)     | (Unreviewed)   | (Audited)         |
| 1       | Income from operations  | 4,413.04       | 3,647.61       | 15,737.79         |
| 2       | Other income  | 50.19          | 18.85          | 84.55             |
| 3       | Total   | 4,463.23       | 3,666.46       | 15,822.34         |
| 4       | Total expenditure   | 3,957.28       | 3,347.76       | 13,825.25         |
|         | - Staff cost  | 2,811.94       | 2,257.57       | 9,324.76          |
|         | - Traveling and conveyance  | 269.96         | 251.01         | 988.49            |
|         | - Communication costs   | 97.99          | 109.97         | 401.76            |
|         | - Legal and professional fees   | 413.34         | 412.93         | 1,530.98          |
|         | - Other expenditure   | 364.04         | 316.28         | 1,579.25          |
| 5       | Interest  | 18.36          | 18.82          | 65.97             |
| 6       | Depreciation/amortisation   | 112.52         | 118.31         | 489.24            |
| 7       | Profit before tax (3-4-5-6)   | 375.07         | 181.57         | 1,441.88          |
| 8       | Provision for tax   | 46.82          | 1.16           | 194.18            |
|         | -Current tax  | 17.95          | 1.16           | 73.97             |
|         | -Deferred tax   | 15.55          | -              | 93.80             |
|         | -Fringe benefit tax   | 13.31          | -              | 26.41             |
| 9       | Net profit (7-8)  | 328.26         | 180.40         | 1,247.70          |
| 10      | Paid up equity share capital<br>(Face value Rs. 10 Each) (refer note 4 below) | 1,071.05       | 513.72         | 513.92            |
| 11      | Reserve and surplus   | -              | -              | 5,352.83          |
| 12      | EPS for the period / year   |                |                |                   |
|         | - Basic and diluted EPS (refer note 4 below)                                  | 3.07           | 1.74           | 11.65             |

**Notes**

- The above results for the quarter ended March 31, 2006 were reviewed by the Audit Committee and have been taken on record by the Board of Directors in their meeting held on July 28, 2006.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by Statutory Auditor for the quarter ended March 31, 2006. The financial results for the quarter ended March 31, 2005 have been furnished by the management and not subjected to any review by the Statutory Auditors.
- The Statutory Auditors in their review report have mentioned that approval of managerial remuneration, included in Staff costs of Rs.53.42 lacs quarter ended March 31, 2006, from Central Government is awaited. The consequential effect of this will be recorded only on receipt of said approval from Central Government.
- For the purpose of the above results the management has applied Accounting Standard (AS)15 (revised 2005) issued by The Institute of Chartered Accountants of India w.e.f. January 1, 2006. In accordance with the provisions of AS 15 (revised 2005) increased liability of Rs.248.92 lacs as on December 31, 2005 has been charged to Reserve and surplus and Staff cost for the quarter ended March 31, 2006 is lower by Rs.14.83 lacs. The corresponding figures for the year ended December 31, 2005 and quarter ended March 31, 2005 have not been recasted.
- Subsequent to the year-ended December 31, 2005, the Company has converted certain warrants to equity shares and has allotted certain equity shares to employees on exercise of options by them. The Company has also consolidated five equity shares of Rs.2 each to one equity share of Rs.10 each and then issued a bonus share to each existing shareholder by way of capitalisation of accumulated profits. Earning per share for the year-ended December 31, 2005 has been adjusted for these changes.
- Previous year's figures have been regrouped/ recast wherever applicable to the extent possible

For and on behalf of the Board

Sd/-

Place : New Delhi  
Date : July 28, 2006

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

**R Systems International Limited**  
**Segment wise revenue, results and capital employed**

(Rs in Lacs)

| Sr. No. | Particulars                                       | Quarter ended  |                | Year ended        |
|---------|---|----------------|----------------|-------------------|
|         |   | March 31, 2006 | March 31, 2005 | December 31, 2005 |
|         |   | (Reviewed)     | (Unreviewed)   | (Audited)         |
| 1       | Segment revenue                                   |                |                |                   |
|         | - Software development and customisation services | 4,133.75       | 3,474.42       | 14924.85          |
|         | - Business process outsourcing                    | 279.29         | 173.19         | 812.94            |
|         | Total revenue                                     | 4,413.04       | 3,647.61       | 15,737.79         |
| 2       | Segment results                                   |                |                |                   |
|         | - Software development and customisation services | 320.16         | 208.54         | 1,370.50          |
|         | - Business process outsourcing                    | 31.98          | (3.75)         | 97.76             |
| 3       | Total segment profit before interest and tax      | 352.14         | 204.79         | 1,468.26          |
|         | - Interest expense                                | (18.36)        | (18.82)        | (65.97)           |
|         | - Interest income                                 | 5.85           | 2.57           | 14.17             |
|         | - Other income                                    | 44.34          | 4.68           | 42.53             |
|         | - Other unallocable expenses                      | (8.90)         | (11.66)        | (17.11)           |
| 4       | Profit before tax                                 | 375.07         | 181.57         | 1,441.88          |
| 5       | Provision for taxation                            |                |                |                   |
|         | -Current tax                                      | (17.95)        | (1.16)         | (73.97)           |
|         | -Deferred tax                                     | (15.55)        | -              | (93.80)           |
|         | -Fringe benefit tax                               | (13.31)        | -              | (26.41)           |
| 6       | Profit after tax                                  | 328.26         | 180.40         | 1,247.70          |
|         | Capital employed                                  |                |                |                   |
| 7       | - Software development and customisation services | 4,877.45       | 5,816.86       | 5,168.01          |
|         | - Business process outsourcing                    | 7.57           | (108.90)       | (16.25)           |
|         | - Unallocated corporate                           | 495.45         | (402.80)       | 979.89            |
|         | Total capital employed                            | 5,380.47       | 5,305.16       | 6,131.65          |

**R SYSTEMS INTERNATIONAL LIMITED**  
**Registered Office : B -104 A, Greater Kailash - I, New Delhi - 110 048**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2006**

(Rs.in lacs, except per share data)

| S No. | Particulars  | Quarter ended  |                | Year ended        |
|-------|--|----------------|----------------|-------------------|
|       |  | March 31, 2006 | March 31, 2005 | December 31, 2005 |
|       |  | (Reviewed)     | (Unreviewed)   | (Audited)         |
| 1     | Income from operations   | 2,445.55       | 1,779.70       | 8,085.75          |
| 2     | Other income   | 53.03          | 17.04          | 76.84             |
| 3     | Total  | 2,498.58       | 1,796.74       | 8,162.59          |
| 4     | Total expenditure  | 1,978.33       | 1,489.22       | 6,376.07          |
|       | - Staff cost   | 1,429.47       | 924.66         | 4,025.94          |
|       | - Traveling and conveyance   | 209.03         | 195.41         | 659.09            |
|       | - Communication costs  | 68.91          | 79.52          | 271.90            |
|       | - Legal and professional fees  | 65.65          | 26.26          | 147.19            |
|       | - Other expenditure  | 205.26         | 263.38         | 1,271.95          |
| 5     | Interest   | 17.99          | 19.63          | 73.05             |
| 6     | Depreciation/amortisation  | 79.95          | 76.93          | 317.41            |
| 7     | Profit before tax (3-4-5-6)  | 422.31         | 210.95         | 1,396.05          |
| 8     | Provision for taxation   | 56.99          | -              | 122.30            |
|       | - Current tax  | 16.78          | -              | 61.20             |
|       | - Deferred tax   | 26.90          | -              | 34.68             |
|       | - Fringe benefit tax   | 13.31          | -              | 26.41             |
| 9     | Net profit (7-8)   | 365.32         | 210.95         | 1,273.76          |
| 10    | Paid up equity share capital ( Face value Rs. 10/- each)<br>(refer note 4 below) | 1,067.36       | 513.72         | 513.92            |
| 11    | Reserves and surplus   |                |                | 6,221.95          |
| 12    | EPS for the period/ year   |                |                |                   |
|       | - Basic and diluted EPS (refer note 4 below)                                     | 3.42           | 2.04           | 11.89             |

**Notes**

- The above results for the quarter ended March 31, 2006 were reviewed by the Audit Committee and have been taken on record by the Board of Directors in their meeting held on July 28, 2006.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by Statutory Auditor for the quarter ended March 31, 2006. The financial results for the quarter ended March 31, 2005 have been furnished by the management and not subjected to any review by the Statutory Auditors.
- The Statutory Auditors in their review report have mentioned that approval of managerial remuneration, included in Staff costs of Rs.53.42 lacs for quarter ended March 31, 2006, from Central Government is awaited. The consequential effect of this will be recorded only on receipt of said approval from Central Government.
- For the purpose of the above results the management has applied Accounting Standard (AS)15 (revised 2005) issued by The Institute of Chartered Accountants of India w.e.f. January 1, 2006. In accordance with the provisions of AS 15 (revised 2005) increased liability of Rs.248.92 lacs as on December 31, 2005 has been charged to Reserve and surplus and Staff cost for the quarter ended March 31, 2006 is lower by Rs.14.83 lacs. The corresponding figures for the year ended December 31, 2005 and quarter ended March 31, 2005 have not been recasted.
- Subsequent to the year-ended December 31, 2005, the Company has converted certain warrants in to equity shares and has allotted certain equity shares to employees on exercise of options by them. The Company has also consolidated five equity shares of Rs.2 each to one equity share of Rs.10 each and then issued a bonus share to each existing shareholder by way of capitalisation of accumulated profits. Earning per share for the year-ended December 31, 2005 has been adjusted for these changes.
- Previous year's figures have been regrouped/ recast wherever applicable, to the extent possible.

For and on behalf of the Board

Sd/-

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

Place : New Delhi  
Date : July 28, 2006

**R Systems International Limited**  
**Segment wise Revenue, Results and Capital Employed**

(Rs in Lacs)

| S No. | Particulars                                       | Quarter ended  |                | Year ended        |
|-------|---|----------------|----------------|-------------------|
|       |   | March 31, 2006 | March 31, 2005 | December 31, 2005 |
|       |   | (Reviewed)     | (Unreviewed)   | (Audited)         |
| 1     | Segment revenue                                   |                |                |                   |
|       | - Software development and customisation services | 2,166.26       | 1,606.51       | 7,272.81          |
|       | - Business process outsourcing services           | 279.29         | 173.19         | 812.94            |
|       | Total revenue                                     | 2,445.55       | 1,779.70       | 8,085.75          |
| 2     | Segment results                                   |                |                |                   |
|       | - Software development and customisation services | 402.95         | 241.37         | 1,400.35          |
|       | - Business process outsourcing services           | 40.92          | 0.85           | 116.31            |
| 3     | Total Segment profit before interest and tax      | 443.87         | 242.22         | 1,516.67          |
|       | - Interest expense                                | (17.99)        | (19.63)        | (73.05)           |
|       | - Interest income                                 | 11.46          | 4.20           | 23.28             |
|       | - Other income                                    | 41.57          | 12.84          | 46.94             |
|       | - Other unallocable expenses                      | (56.60)        | (28.67)        | (117.78)          |
| 4     | Profit before tax                                 | 422.31         | 210.95         | 1,396.05          |
| 5     | Provision for taxation                            |                |                |                   |
|       | -Current tax                                      | (16.78)        | -              | (61.20)           |
|       | -Deferred tax                                     | (26.90)        | -              | (34.68)           |
|       | -Fringe benefit tax                               | (13.31)        | -              | (26.41)           |
| 6     | Profit after tax                                  | 365.32         | 210.95         | 1,273.76          |
| 7     | Capital employed                                  |                |                |                   |
|       | - Software development and customisation services | 3,589.44       | 6,654.68       | 3,799.97          |
|       | - Business process outsourcing services           | 7.57           | (108.90)       | (16.25)           |
|       | - Unallocated corporate                           | 2,733.17       | (263.87)       | 3,217.06          |
|       | Total capital employed                            | 6,330.18       | 6,281.90       | 7,000.78          |