

**R SYSTEMS INTERNATIONAL LIMITED**  
Registered Office : B - 104A, Greater Kailash - I, New Delhi - 110 048  
**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2010**

(Rs. in lakhs, except per share data)

S. No.	Particulars	Quarter ended March 31,		Year ended
		2010	2009	December 31,
		(Unaudited)	(Unaudited)	(Audited)
1 (a)	Income from operations	7,242.51	9,008.27	32,752.52
1 (b)	Other operating income	63.55	15.32	287.00
2	Expenditure			
(a)	Employees cost	4,812.58	5,438.97	20,296.51
(b)	Traveling and conveyance	434.32	506.20	1,951.02
(c)	Communication cost	137.00	192.78	712.90
(d)	Legal and professional expenses	573.09	652.67	2,738.63
(e)	Provision for doubtful debts / advances	79.21	216.55	478.82
(f)	Depreciation / amortisation	330.81	294.79	1,348.19
(g)	Other expenditure	617.39	723.41	2,862.81
	Total expenditure	6,984.40	8,025.37	30,388.88
3	Profit from operations before other income, interest and exceptional items (1-2)	321.66	998.22	2,650.64
4	Other Income	115.21	129.00	517.22
5	Profit before interest and exceptional items (3+4)	436.87	1,127.22	3,167.86
6	Interest	2.14	6.63	27.99
7	Profit after interest but before exceptional items (5-6)	434.73	1,120.59	3,139.87
8	Exceptional items (refer note 5 below)	-	-	(2,087.14)
9	<b>Profit for the period / year from ordinary activities before tax (7+8)</b>	<b>434.73</b>	<b>1,120.59</b>	<b>1,052.73</b>
10	Tax expense			
	Current tax	96.14	113.21	655.94
	MAT credit entitlement	(132.00)	(58.25)	(426.78)
	Deferred tax charge / (credit)	(187.31)	90.16	41.85
	Fringe benefit tax	-	15.50	9.68
	Total tax expense	(223.17)	160.62	280.69
11	<b>Net profit for the period / year from ordinary activities after tax (9-10)</b>	<b>657.90</b>	<b>959.97</b>	<b>772.04</b>
12	Extraordinary items (net of tax expense)	-	-	-
13	<b>Net profit for the period / year (11-12)</b>	<b>657.90</b>	<b>959.97</b>	<b>772.04</b>
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 4 below)	1,224.30	1,286.74	1,224.30
15	Reserves and surplus excluding revaluation reserves as at December 31, 2009			15,515.00
16	Earnings per share (EPS)			
(a)	EPS for the period / year before extraordinary items			
	- Basic	5.34	7.28	6.09
	- Diluted	5.27	7.19	6.02
(b)	EPS for the period / year after extraordinary items			
	- Basic	5.34	7.28	6.09
	- Diluted	5.27	7.19	6.02
17	Public shareholding			
	- Number of shares	6,574,593	7,199,029	6,574,593
	- Percentage of shareholding	53.38	55.63	53.38
18	Promoters and Promoter Group Shareholding			
(a)	Pledged / encumbered			
	- Number of shares	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil
(b)	Non-encumbered			
	- Number of shares	5,742,293	5,742,293	5,742,293
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	46.62	44.37	46.62

**Notes:**

- The results for the quarter ended March 31, 2010 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on April 24, 2010.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter ended March 31, 2010 and March 31, 2009 and audit for the year ended December 31, 2009.
- Pursuant to the Initial Public Offer (IPO), the Company collected Rs. 7,062.50 lakhs (net of selling shareholders' proceeds), details of utilisation of IPO proceeds are as follows:

(Rs. in lakhs)

Objects	Total estimated project cost*	Amount incurred till December 31, 2009	During January - March 2010	Amount incurred till March 31, 2010
Upgrading and expansion of existing infrastructure*	2,299.93	2,299.93	-	2,299.93
Repayment of outstanding loans	365.50	365.50	-	365.50
Financing general working capital requirements	1,795.10	1,795.10	-	1,795.10
General corporate purposes*	1,590.60	586.20	-	586.20
Meeting offer expenses*	1,011.37	1,011.37	-	1,011.37
<b>Total</b>	<b>7,062.50</b>	<b>6,058.10</b>	<b>-</b>	<b>6,058.10</b>

\*The Company had obtained approval from its shareholders at the annual general meeting held on May 2, 2008 for reallocation in the estimated project cost among above mentioned heads. Pending utilization, balance funds as at March 31, 2010 have been invested in fixed deposit with nationalised banks.

- The Company had successfully completed the buy-back of 1,265,820 equity shares of Rs. 10 each at an average price of Rs. 63.20 per share for an aggregate amount of Rs. 800 lakhs on August 27, 2009.
- During earlier years, the Company had acquired subsidiaries [namely R Systems Solutions, Inc., (USA), R Systems Europe B.V., (The Netherlands) and R Systems S.A.S., (France)] in new geographies / business verticals. During the year ended December 31, 2009, these subsidiaries had received termination notices from certain significant customers. Consequently during the year ended December 31, 2009, the management had assessed that there is impairment of goodwill recognized in the books on acquisition of these subsidiaries and had impaired the goodwill amounting to Rs. 2,087.14 lakhs.
- The Company has a policy of recognising deferred tax assets only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Accordingly, on the basis of such evaluation at the end of the current quarter, the Company has recognised incremental deferred tax asset of Rs. 156 lakhs.
- The Board of Directors of the Company had recommended a dividend of Rs. 2.40 per share at its meeting held on February 21, 2010 subject to the approval of the shareholders at the forthcoming annual general meeting.
- There were 4 investor complaints received and disposed off during the quarter ended March 31, 2010. There were no pending complaints at the beginning and end of the quarter.
- Previous period's / year's figures have been regrouped / recasted wherever applicable, to the extent possible.

For and on behalf of the Board

Sd/-

Lt. Gen. Baldev Singh (Retd.)

[President & Senior Executive Director]

Place : NOIDA

Date : April 24, 2010

**R SYSTEMS INTERNATIONAL LIMITED**  
**SEGMENT WISE CONSOLIDATED REVENUE, RESULTS AND CAPITAL EMPLOYED**

(Rs. in lakhs)

S.No.	Particulars	Quarter ended March 31,		Year ended
		2010	2009	December 31,
		(Unaudited)	(Unaudited)	2009
				(Audited)
<b>1</b>	<b>Segment revenue</b>			
	- Software development and customisation services	5,747.85	6,643.92	24,486.17
	- Business process outsourcing services	1,518.75	2,376.56	8,370.86
	Less:- Elimination of intersegment sales	24.09	12.21	104.51
	<b>Income from operations</b>	<b>7,242.51</b>	<b>9,008.27</b>	<b>32,752.52</b>
<b>2</b>	<b>Segment results</b> before tax and interest			
	- Software development and customisation services	487.33	933.81	2,914.25
	- Business process outsourcing services *	(85.63)	180.61	(1,892.22)
	<b>Total</b>	<b>401.70</b>	<b>1,114.42</b>	<b>1,022.03</b>
	(i) Interest expense	(2.14)	(6.63)	(27.99)
	(ii) Interest income	115.21	129.00	517.22
	(iii) Other income	20.74	15.32	23.67
	(iv) Other unallocable expenses	(100.78)	(131.52)	(482.20)
	<b>Profit before tax</b>	<b>434.73</b>	<b>1,120.59</b>	<b>1,052.73</b>
<b>3</b>	<b>Capital employed</b>			
	- Software development and customisation services	10,722.39	10,454.57	10,399.11
	- Business process outsourcing services	(1,365.20)	1,328.83	(1,220.35)
	- Unallocated corporate	7,956.20	6,073.42	7,560.53
	<b>Total capital employed</b>	<b>17,313.39</b>	<b>17,856.82</b>	<b>16,739.29</b>

\* After considering exceptional items for the year ended December 31, 2009 as explained in note 5 to the unaudited consolidated financial results.

**R SYSTEMS INTERNATIONAL LIMITED**  
**Registered Office : B - 104A, Greater Kailash - I, New Delhi - 110 048**  
**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2010**

(Rs. in lakhs, except per share data)

S. No.	Particulars	Quarter ended March 31,		Year ended
		2010	2009	December 31,
		(Audited)	(Audited)	2009
				(Audited)
1 (a)	Income from operations	4,348.22	5,357.49	19,114.31
1 (b)	Other operating income	74.96	33.63	342.98
2	Expenditure			
(a)	Employees cost	2,978.03	2,973.97	11,497.08
(b)	Traveling and conveyance	352.35	383.83	1,505.55
(c)	Communication cost	105.35	107.40	494.75
(d)	Legal and professional expenses	44.29	88.88	248.49
(e)	Provision for doubtful debts / advances	67.14	213.62	471.21
(f)	Depreciation / amortisation	211.21	158.00	804.62
(g)	Other expenditure	366.96	433.38	1,607.71
	Total expenditure	4,125.33	4,359.08	16,629.41
3	Profit from operations before other income, interest and exceptional items (1-2)	297.85	1,032.04	2,827.88
4	Other Income	131.09	142.05	573.88
5	Profit before interest and exceptional items (3+4)	428.94	1,174.09	3,401.76
6	Interest	1.07	2.03	16.99
7	Profit after interest but before exceptional items (5-6)	427.87	1,172.06	3,384.77
8	Exceptional items (refer note 5 below)	-	-	(2,473.21)
9	<b>Profit for the period / year from ordinary activities before tax (7+8)</b>	<b>427.87</b>	<b>1,172.06</b>	<b>911.56</b>
10	Tax expense			
	Current tax	82.00	131.00	631.65
	MAT credit entitlement	(132.00)	(58.25)	(426.78)
	Deferred tax charge / (credit)	(187.31)	90.16	41.85
	Fringe benefit tax	-	15.50	9.68
	Total tax expense	(237.31)	178.41	256.40
11	<b>Net profit for the period / year from ordinary activities after tax (9-10)</b>	<b>665.18</b>	<b>993.65</b>	<b>655.16</b>
12	Extraordinary items (net of tax expense)	-	-	-
13	<b>Net profit for the period / year (11-12)</b>	<b>665.18</b>	<b>993.65</b>	<b>655.16</b>
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 4 below)	1,224.30	1,286.74	1,224.30
15	Reserves and surplus excluding revaluation reserves as at December 31, 2009			16,448.33
16	Earnings per share (EPS)			
(a)	EPS for the period / year before extraordinary items			
	- Basic	5.40	7.53	5.17
	- Diluted	5.33	7.44	5.11
(b)	EPS for the period / year after extraordinary items			
	- Basic	5.40	7.53	5.17
	- Diluted	5.33	7.44	5.11
17	Public shareholding			
	- Number of shares	6,574,593	7,199,029	6,574,593
	- Percentage of shareholding	53.38	55.63	53.38
18	Promoters and Promoter Group Shareholding			
(a)	Pledged / encumbered			
	- Number of shares	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil
(b)	Non-encumbered			
	- Number of shares	5,742,293	5,742,293	5,742,293
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	46.62	44.37	46.62

**Notes:**

- The results for the quarter ended March 31, 2010 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on April 24, 2010.
- An audit has been completed by the Statutory Auditors for the quarter ended March 31, 2010, quarter ended March 31, 2009 and year ended December 31, 2009.
- Pursuant to the Initial Public Offer (IPO), the Company collected Rs. 7,062.50 lakhs (net of selling shareholders' proceeds), details of utilisation of IPO proceeds are as follows:

(Rs. in lakhs)

Objects	Total estimated project cost*	Amount incurred till December 31, 2009	During January-March 2010	Amount incurred till March 31, 2010
Upgrading and expansion of existing infrastructure*	2,299.93	2,299.93	-	2,299.93
Repayment of outstanding loans	365.50	365.50	-	365.50
Financing general working capital requirements	1,795.10	1,795.10	-	1,795.10
General corporate purposes*	1,590.60	586.20	-	586.20
Meeting offer expenses*	1,011.37	1,011.37	-	1,011.37
<b>Total</b>	<b>7,062.50</b>	<b>6,058.10</b>	-	<b>6,058.10</b>

\*The Company had obtained approval from its shareholders at the annual general meeting held on May 2, 2008 for reallocation in the estimated project cost among above mentioned heads.

Pending utilization, balance funds as at March 31, 2010 have been invested in fixed deposit with nationalised banks.

- The Company had successfully completed the buy-back of 1,265,820 equity shares of Rs. 10 each at an average price of Rs. 63.20 per share for an aggregate amount of Rs. 800 lakhs on August 27, 2009.
- During earlier years, the Company had acquired subsidiaries [namely R Systems Solutions, Inc., (USA), R Systems Europe B.V., (The Netherlands) and R Systems S.A.S., (France)] in new geographies / business verticals. During the year ended December 31, 2009, these subsidiaries have received termination notices from certain significant customers. Consequently during the year ended December 31, 2009, the management had assessed that there is a decline, other than temporary, in the value of these subsidiaries and had reduced the carrying amount of investment in these subsidiaries by Rs 2,473.21 lakhs to recognise the decline in value.
- The Company has a policy of recognising deferred tax assets only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Accordingly, on the basis of such evaluation at the end of the current quarter, the Company has recognised incremental deferred tax asset of Rs. 156 lakhs.
- The Board of Directors of the Company had recommended a dividend of Rs. 2.40 per share at its meeting held on February 21, 2010 subject to the approval of the shareholders at the forthcoming annual general meeting.
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[President & Senior Executive Director]

**R SYSTEMS INTERNATIONAL LIMITED**

**SEGMENT WISE STANDALONE REVENUE, RESULTS AND CAPITAL EMPLOYED**

(Rs. in lakhs)

S. No.	Particulars	Quarter ended March 31,		Year ended
		2010	2009	December 31,
		(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Segment revenue</b>			
	- Software development and customisation services	3,870.28	4,781.56	16,992.04
	- Business process outsourcing services	477.94	575.93	2,122.27
	<b>Income from operations</b>	<b>4,348.22</b>	<b>5,357.49</b>	<b>19,114.31</b>
<b>2</b>	<b>Segment results</b> before tax and interest			
	- Software development and customisation services	408.58	1,016.73	3,031.37
	- Business process outsourcing services*	(42.75)	109.95	(2,287.56)
	<b>Total</b>	<b>365.83</b>	<b>1,126.68</b>	<b>743.81</b>
	(i) Interest expense	(1.07)	(2.03)	(16.99)
	(ii) Interest income	115.08	128.47	514.38
	(iii) Other income	34.67	33.51	79.65
	(iv) Other unallocable expenses	(86.64)	(114.57)	(409.29)
	<b>Profit before tax</b>	<b>427.87</b>	<b>1,172.07</b>	<b>911.56</b>
<b>3</b>	<b>Capital employed</b>			
	- Software development and customisation services	12,271.94	12,134.80	11,934.91
	- Business process outsourcing services	(1,766.86)	713.85	(1,717.28)
	- Unallocated corporate	7,832.73	5,998.25	7,455.00
	<b>Total capital employed</b>	<b>18,337.81</b>	<b>18,846.90</b>	<b>17,672.63</b>

\* After considering exceptional items for the year ended December 31, 2009 as explained in note 5 to the audited financial results.