

R SYSTEMS INTERNATIONAL LIMITED
Regd. Office : B - 104A, Greater Kailash - I, New Delhi - 110 048
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2009

(Rs. in lakhs, except per share data)

S. No.	Particulars	Quarter ended June 30,		Half year ended June 30,		Year ended December 31,
		2009	2008	2009	2008	2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 (a)	Income from operations	8,248.97	9,055.90	17,257.24	17,043.64	35,939.23
1 (b)	Other operating income	179.72	13.23	195.04	30.61	183.03
2	Expenditure					
a)	Employees cost	5,345.17	5,434.75	10,784.14	10,349.60	21,645.03
b)	Traveling and conveyance	467.87	625.34	974.07	1,183.65	2,334.32
c)	Communication cost	179.18	174.86	371.96	337.19	706.09
d)	Legal and professional expenses	715.35	909.90	1,368.02	1,659.45	3,447.37
e)	Provision for doubtful debts / advances	158.11	70.18	374.66	180.16	394.78
f)	Depreciation / amortisation	352.65	280.94	647.45	551.59	1,156.90
g)	Other expenditure	849.27	1,144.34	1,572.68	1,727.46	3,749.11
	Total expenditure	8,067.60	8,640.31	16,092.98	15,909.10	33,433.60
3	Profit / (loss) from operations before other income, interest and exceptional items (1-2)	361.09	428.82	1,359.30	1,165.15	2,688.66
4	Other Income	127.50	78.78	256.50	187.71	366.39
5	Profit / (loss) before interest and exceptional items (3+4)	488.59	507.60	1,615.80	1,352.86	3,055.05
6	Interest	5.10	13.71	11.73	29.34	53.29
7	Profit / (loss) after interest but before exceptional items (5-6)	483.49	493.89	1,604.07	1,323.52	3,001.76
8	Exceptional items (refer note 6 below)	(2,087.14)	-	(2,087.14)	-	-
9	Profit / (loss) for the period / year from ordinary activities before tax (7+8)	(1,603.65)	493.89	(483.07)	1,323.52	3,001.76
10	Tax expense					
	Current tax	77.41	48.46	190.61	106.65	317.87
	MAT credit entitlement	(9.90)	(1.29)	(68.15)	(52.79)	(117.04)
	Deferred tax	(65.61)	(36.61)	24.55	(29.28)	(75.52)
	Fringe benefit tax	17.00	19.00	32.50	36.50	79.80
	Total	18.90	29.56	179.51	61.08	205.11
11	Net profit / (loss) for the period / year from ordinary activities after tax (9-10)	(1,622.55)	464.33	(662.58)	1,262.44	2,796.65
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit / (loss) for the period / year (11-12)	(1,622.55)	464.33	(662.58)	1,262.44	2,796.65
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 4 below)	1,250.90	1,350.88	1,250.90	1,350.88	1,336.25
15	Reserves and surplus excluding revaluation reserves as at December 31, 2008					15,829.01
16	Earnings per share (EPS)					
(a)	EPS for the period / year before extraordinary items					
	- Basic	(12.68)	3.42	(5.10)	9.29	20.61
	- Diluted	(12.68)	3.38	(5.10)	9.18	20.36
(b)	EPS for the period / year after extraordinary items					
	- Basic	(12.68)	3.42	(5.10)	9.29	20.61
	- Diluted	(12.68)	3.38	(5.10)	9.18	20.36
17	Public shareholding (refer note 4 below)					
	- Number of shares	6,840,647	7,840,413	6,840,647	7,840,413	7,694,067
	- Percentage of shareholding	54.36	57.72	54.36	57.72	57.26
18	Promoters and Promoter Group Shareholding (refer note 4 below)					
(a)	Pledged / encumbered					
	- Number of shares	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
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
(b)	Non-encumbered					
	- Number of shares	5,742,293	5,742,293	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	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	45.64	42.28	45.64	42.28	42.74

Notes:

- The results for the quarter and half year ended June 30, 2009 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 24, 2009.
- The Limited Review as required under Clause 41 of Listing Agreement has been completed by the Statutory Auditors for the quarter and half year ended June 30, 2009 and June 30, 2008 and audit for the year ended December 31, 2008.
- 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)

Object	Total estimated project cost*	Amount incurred till March 31, 2009	During April - June 2009	Amount incurred till June 30, 2009
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
Total	7,062.50	6,058.10	-	6,058.10

*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 June 30, 2009 have been invested in fixed deposit with nationalised banks.

- The Company had issued Public Announcement dated October 15, 2008, for Buy-back of its equity shares not exceeding 1,306,941 shares from the open market at a price not exceeding Rs. 150 per share for an aggregate amount not exceeding Rs. 800 lakhs. Under the Buy-back programme, the Company has bought back 999,766 equity shares up to June 30, 2009 (including 641,384 equity shares up to March 31, 2009) for an aggregate amount of Rs. 590.06 lakhs (inclusive of brokerage and applicable taxes of Rs. 2.13 lakhs) by utilising the Securities Premium Account to the extent of Rs. 490.08 lakhs and General Reserve to the extent of Rs. 99.98 lakhs. The Capital Redemption Reserve has been created out of General Reserve for Rs. 99.98 lakhs being the nominal value of equity shares bought back in terms of Section 77AA of the Companies Act, 1956. Of the above, 36,355 equity shares have been extinguished subsequent to June 30, 2009 up to July 10, 2009.
- Final Dividend of Rs 2.40/- per share (24% on equity share of par value of Rs 10/-) for the year ended December 31, 2008 was approved by the shareholders in Annual General Meeting held on April 27, 2009 and same was paid during the quarter ended June 30, 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) into new geographies / business verticals. During the quarter, these subsidiaries have received termination notices from certain significant customers. Consequently the management has assessed that there is impairment of goodwill recognized in the books on acquisition of these subsidiaries and has impaired the goodwill amounting to Rs 2,087.14 lakhs.
- There were 12 Investor complaints received and disposed off during the quarter ended June 30, 2009. 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 : July 24, 2009

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

(Rs. in lakhs)

S.No.	Particulars	Quarter ended June 30,		Half year ended June 30,		Year ended December 31,
		2009	2008	2009	2008	2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue					
	- Software development and customisation services	6,228.31	6,393.69	12,872.22	12,122.60	25,711.30
	- Business process outsourcing services	2,044.45	2,689.88	4,444.55	4,948.71	10,283.02
	Less:- Elimination of intersegment sales	23.79	27.67	59.53	27.67	55.09
	Income from operations	8,248.97	9,055.90	17,257.24	17,043.64	35,939.23
2	Segment results before tax and interest					
	- Software development and customisation services	428.24	747.93	1,362.05	1,345.25	2,494.76
	- Business process outsourcing services *	(2,044.40)	200.38	(1,863.79)	447.14	755.37
	Total	(1,616.16)	948.31	(501.74)	1,792.39	3,250.13
	(i) Interest expense	(5.10)	(13.71)	(11.73)	(29.34)	(53.29)
	(ii) Interest income	127.50	78.78	256.50	187.71	366.39
	(iii) Other income	12.14	1.34	27.46	2.47	76.00
	(iv) Other unallocable expenses	(122.03)	(520.83)	(253.56)	(629.71)	(637.47)
	Profit / (loss) before tax	(1,603.65)	493.89	(483.07)	1,323.52	3,001.76
3	Capital employed					
	- Software development and customisation services	8,211.65	9,410.11	8,211.65	9,410.11	8,570.81
	- Business process outsourcing services	1,352.28	3,015.02	1,352.28	3,015.02	3,262.60
	- Unallocated corporate	6,339.18	3,340.45	6,339.18	3,340.45	5,331.85
	Total capital employed	15,903.11	15,765.58	15,903.11	15,765.58	17,165.26

* After considering exceptional items as explained in note 6 to the unaudited consolidated financial results.

R SYSTEMS INTERNATIONAL LIMITED
Regd. Office : B - 104A, Greater Kailash - I, New Delhi - 110 048
AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2009

(Rs. in lakhs, except per share data)

S. No.	Particulars	Quarter ended June 30,		Half year ended June 30,		Year ended
		2009	2008	2009	2008	December 31,
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1 (a)	Income from operations	4,766.97	4,963.51	10,124.46	9,623.01	20,384.82
1 (b)	Other operating income	182.62	23.80	216.25	51.54	224.93
2	Expenditure					
a)	Employees cost	3,075.96	2,993.95	6,049.92	5,847.73	12,222.13
b)	Traveling and conveyance	364.73	485.23	748.57	959.72	1,896.59
c)	Communication cost	113.87	97.05	221.27	199.58	417.82
d)	Legal and professional expenses	42.09	62.70	130.97	113.21	241.68
e)	Provision for doubtful debts / advances	120.22	70.18	333.84	372.53	702.36
f)	Depreciation / amortisation	216.85	157.73	374.85	326.31	663.18
g)	Other expenditure	522.37	804.97	955.75	1,137.94	2,335.98
	Total expenditure	4,456.09	4,671.81	8,815.17	8,957.02	18,479.74
3	Profit / (loss) from operations before other income, interest and exceptional items (1-2)	493.50	315.50	1,525.54	717.53	2,130.01
4	Other Income	140.98	88.41	283.03	202.37	403.26
5	Profit / (loss) before interest and exceptional items (3+4)	634.48	403.91	1,808.57	919.90	2,533.27
6	Interest	2.92	2.40	4.95	8.29	12.57
7	Profit / (loss) after interest but before exceptional items (5-6)	631.56	401.51	1,803.62	911.61	2,520.70
8	Exceptional items (refer note 6 below)	(2,473.21)	-	(2,473.21)	-	-
9	Profit / (loss) for the period / year from ordinary activities before tax (7+8)	(1,841.65)	401.51	(669.59)	911.61	2,520.70
10	Tax expense					
	Current tax	70.00	43.20	201.00	86.78	268.69
	MAT credit entitlement	(9.90)	(1.29)	(68.15)	(52.79)	(117.03)
	Deferred tax	(65.61)	(36.62)	24.55	(29.28)	(75.52)
	Fringe benefit tax	17.00	19.00	32.50	36.50	79.80
	Total	11.49	24.29	189.90	41.21	155.94
11	Net profit / (loss) for the period / year from ordinary activities after tax (9-10)	(1,853.14)	377.22	(859.49)	870.40	2,364.76
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit / (loss) for the period / year (11-12)	(1,853.14)	377.22	(859.49)	870.40	2,364.76
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 4 below)	1,250.90	1,350.88	1,250.90	1,350.88	1,336.25
15	Reserves and surplus excluding revaluation reserves as at December 31, 2008					16,748.39
16	Earnings per share (EPS)					
(a)	EPS for the period / year before extraordinary items					
	- Basic	(14.49)	2.78	(6.62)	6.41	17.42
	- Diluted	(14.49)	2.74	(6.62)	6.33	17.21
(b)	EPS for the period / year after extraordinary items					
	- Basic	(14.49)	2.78	(6.62)	6.41	17.42
	- Diluted	(14.49)	2.74	(6.62)	6.33	17.21
17	Public shareholding (refer note 4 below)					
	- Number of shares	6,840,647	7,840,413	6,840,647	7,840,413	7,694,067
	- Percentage of shareholding	54.36	57.72	54.36	57.72	57.26
18	Promoters and Promoter Group Shareholding (refer note 4 below)					
(a)	Pledged / encumbered					
	- Number of shares	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
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
(b)	Non-encumbered					
	- Number of shares	5,742,293	5,742,293	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	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	45.64	42.28	45.64	42.28	42.74

Notes:

- The results for the quarter and half year ended June 30, 2009 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 24, 2009.
- An audit has been completed by the Statutory Auditors for the quarter and half year ended June 30, 2009, quarter and half year ended June 30, 2008 and year ended December 31, 2008.
- 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)

Object	Total estimated project cost*	Amount incurred till March 31, 2009	During April - June 2009	Amount incurred till June 30, 2009
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
Total	7,062.50	6,058.10	-	6,058.10

*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 June 30, 2009 have been invested in fixed deposit with nationalised banks.

- The Company had issued Public Announcement dated October 15, 2008, for Buy-back of its equity shares not exceeding 1,306,941 shares from the open market at a price not exceeding Rs. 150 per share for an aggregate amount not exceeding Rs. 800 lakhs. Under the Buy-back programme, the Company has bought back 999,766 equity shares up to June 30, 2009 (including 641,384 equity shares up to March 31, 2009) for an aggregate amount of Rs. 590.06 lakhs (inclusive of brokerage and applicable taxes of Rs. 2.13 lakhs) by utilising the Securities Premium Account to the extent of Rs. 490.08 lakhs and General Reserve to the extent of Rs. 99.98 lakhs. The Capital Redemption Reserve has been created out of General Reserve for Rs. 99.98 lakhs being the nominal value of equity shares bought back in terms of Section 77AA of the Companies Act, 1956. Of the above, 36,355 equity shares have been extinguished subsequent to June 30, 2009 up to July 10, 2009.
- Final Dividend of Rs. 2.40/- per share (24% on equity share of par value of Rs 10/-) for the year ended December 31, 2008 was approved by the shareholders in Annual General Meeting held on April 27, 2009 and same was paid during the quarter ended June 30, 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) into new geographies/ business verticals. During the quarter, these subsidiaries have received termination notices from certain significant customers. Consequently the management has assessed that there is a decline, other than temporary, in the value of these subsidiaries and has reduced the carrying amount of investment in these subsidiaries by Rs 2,473.21 lakhs to recognise the decline in value.
- There were 12 Investor complaints received and disposed off during the quarter ended June 30, 2009. 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/-

Place : Noida

Lt. Gen. Baldev Singh (Retd.)

Date : July 24, 2009

[President & Senior Executive Director]

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

(Rs. in lakhs)

S. No.	Particulars	Quarter ended June 30		Half year ended June 30,		Year ended
		2009	2008	2009	2008	December 31,
		(Audited)	(Audited)	(Audited)	(Audited)	2008
1	Segment revenue					
	- Software development and customisation services	4,236.03	4,257.03	9,017.59	8,350.77	17,778.60
	- Business process outsourcing services	530.94	706.48	1,106.87	1,272.24	2,606.22
	Income from operations	4,766.97	4,963.51	10,124.46	9,623.01	20,384.82
2	Segment results before tax and interest					
	- Software development and customisation services	517.74	343.02	1,571.43	1,047.97	2,461.64
	- Business process outsourcing services*	(2,411.21)	154.52	(2,301.26)	200.43	377.55
	Total	(1,893.47)	497.54	(729.83)	1,248.40	2,839.19
	(i) Interest expense	(2.92)	(2.40)	(4.95)	(8.29)	(12.57)
	(ii) Interest income	140.98	88.41	283.03	202.37	403.26
	(iii) Other income	15.17	17.09	48.68	36.72	117.90
	(iv) Other unallocable expenses	(101.41)	(199.13)	(266.52)	(567.59)	(827.08)
	Profit / (loss) before tax	(1,841.65)	401.51	(669.59)	911.61	2,520.70
3	Capital employed					
	- Software development and customisation services	6,394.35	7,113.03	6,394.35	7,113.03	6,445.38
	- Business process outsourcing services	774.43	2,969.67	774.43	2,969.67	3,086.93
	- Unallocated corporate	9,544.99	6,948.67	9,544.99	6,948.67	8,552.33
	Total capital employed	16,713.77	17,031.37	16,713.77	17,031.37	18,084.64

* After considering exceptional items as explained in note 6 to the audited financial results.