

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

(Rs. in lakhs, except per share data)

S. No.	Particulars	Quarter ended September 30,		Nine months ended September 30,		Year ended December 31,
		2009	2008	2009	2008	2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 (a)	Income from operations	7,867.73	9,211.40	25,124.97	26,255.04	35,939.23
1 (b)	Other operating income	94.07	96.61	289.11	127.22	183.03
2	Expenditure					
(a)	Employees cost	4,915.33	5,553.01	15,699.47	15,902.62	21,645.03
(b)	Traveling and conveyance	482.81	659.74	1,456.88	1,843.39	2,334.32
(c)	Communication cost	176.44	187.68	548.40	524.86	706.09
(d)	Legal and professional expenses	763.96	950.05	2,131.98	2,609.49	3,447.37
(e)	Provision for doubtful debts / advances	27.75	61.25	402.41	161.41	394.78
(f)	Depreciation / amortisation	357.53	302.60	1,004.98	854.18	1,156.90
(g)	Other expenditure	583.11	910.74	2,155.79	2,638.24	3,749.11
	Total expenditure	7,306.93	8,625.07	23,399.91	24,534.19	33,433.60
3	Profit from operations before other income, interest and exceptional items (1-2)	654.87	682.94	2,014.17	1,848.07	2,688.66
4	Other Income	136.55	65.79	393.05	253.51	366.39
5	Profit before interest and exceptional items (3+4)	791.42	748.73	2,407.22	2,101.58	3,055.05
6	Interest	21.32	13.64	33.05	42.98	53.29
7	Profit after interest but before exceptional items (5-6)	770.10	735.09	2,374.17	2,058.60	3,001.76
8	Exceptional items (refer note 5 below)	-	-	(2,087.14)	-	-
9	Profit for the period / year from ordinary activities before tax (7+8)	770.10	735.09	287.03	2,058.60	3,001.76
10	Tax expense					
	Current tax	236.37	82.54	426.97	189.19	317.87
	MAT credit entitlement	(205.06)	(29.00)	(273.21)	(81.79)	(117.04)
	Deferred tax	(2.37)	4.83	22.19	(24.45)	(75.52)
	Fringe benefit tax	(22.82)	21.80	9.68	58.30	79.80
	Total	6.12	80.17	185.63	141.25	205.11
11	Net profit for the period / year from ordinary activities after tax (9-10)	763.98	654.92	101.40	1,917.35	2,796.65
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	763.98	654.92	101.40	1,917.35	2,796.65
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 4 below)	1,224.30	1,350.88	1,224.30	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	6.16	4.82	0.79	14.12	20.61
	- Diluted	6.08	4.76	0.78	13.94	20.36
(b)	EPS for the period / year after extraordinary items					
	- Basic	6.16	4.82	0.79	14.12	20.61
	- Diluted	6.08	4.76	0.78	13.94	20.36
17	Public shareholding					
	- Number of shares	6,574,593	7,840,413	6,574,593	7,840,413	7,694,067
	- Percentage of shareholding	53.38	57.72	53.38	57.72	57.26
18	Promoters and Promoter Group Shareholding					
(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)	46.62	42.28	46.62	42.28	42.74

- Notes:**
- The results for the quarter and nine months ended September 30, 2009 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 24, 2009.
 - The Limited Review as required under Clause 41 of Listing Agreement has been completed by the Statutory Auditors for the quarter and nine months ended September 30, 2009, for the quarter and nine months ended September 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:

Object	Total estimated project cost*	Amount incurred till June 30, 2009	Amount incurred till September 30, 2009	
			During July - September 2009	September 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 September 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 1,265,820 equity shares up to August 27, 2009 inclusive of payout formalities (including 999,766 equity shares up to June 30, 2009) for an aggregate amount of Rs. 800 lakhs by utilising the Securities Premium Account to the extent of Rs. 673.42 lakhs and General Reserve to the extent of Rs. 126.58 lakhs. The Capital Redemption Reserve has been created out of General Reserve for Rs. 126.58 lakhs being the nominal value of equity shares bought back in terms of Section 77AA of the Companies Act, 1956. The Offer for Buy Back has been successfully completed 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) into new geographies / business verticals. During the quarter ended June 30, 2009, 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 9 Investor complaints received and disposed off during the quarter ended September 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 : October 24, 2009

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

(Rs. in lakhs)

S.No.	Particulars	Quarter ended September 30,		Nine months ended September 30,		Year ended December 31,
		2009	2008	2009	2008	2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue					
	- Software development and customisation services	5,858.87	6,611.29	18,731.09	18,733.89	25,711.30
	- Business process outsourcing services	2,032.23	2,613.72	6,476.78	7,562.43	10,283.02
	Less:- Elimination of intersegment sales	23.37	13.61	82.90	41.28	55.09
	Income from operations	7,867.73	9,211.40	25,124.97	26,255.04	35,939.23
2	Segment results before tax and interest					
	- Software development and customisation services	843.94	806.80	2,205.99	2,152.05	2,494.76
	- Business process outsourcing services *	(74.49)	114.07	(1,938.28)	561.21	755.37
	Total	769.45	920.87	267.71	2,713.26	3,250.13
	(i) Interest expense	(21.32)	(13.64)	(33.05)	(42.98)	(53.29)
	(ii) Interest income	136.55	65.79	393.05	253.51	366.39
	(iii) Other income	1.21	38.04	28.67	40.51	76.00
	(iv) Other unallocable expenses	(115.79)	(275.97)	(369.35)	(905.70)	(637.47)
	Profit before tax	770.10	735.09	287.03	2,058.60	3,001.76
3	Capital employed					
	- Software development and customisation services	10,428.51	11,667.84	10,428.51	11,667.84	10,665.01
	- Business process outsourcing services	(1,206.21)	1,109.93	(1,206.21)	1,109.93	1,168.40
	- Unallocated corporate	7,289.39	3,859.97	7,289.39	3,859.97	5,331.85
	Total capital employed	16,511.69	16,637.74	16,511.69	16,637.74	17,165.26

* After considering exceptional items as explained in note 5 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 NINE MONTHS ENDED SEPTEMBER 30, 2009

(Rs. in lakhs, except per share data)

S. No.	Particulars	Quarter ended September 30,		Nine months ended September 30,		Year ended
		2009	2008	2009	2008	December 31,
		(Audited)	(Audited)	(Audited)	(Audited)	2008
						(Audited)
1 (a)	Income from operations	4,585.94	5,150.74	14,710.40	14,773.75	20,384.82
1 (b)	Other operating income	103.54	81.17	319.80	132.70	224.93
2	Expenditure					
(a)	Employees cost	2,772.89	3,147.51	8,822.81	8,995.23	12,222.13
(b)	Traveling and conveyance	374.20	552.47	1,122.77	1,512.18	1,896.59
(c)	Communication cost	138.09	107.46	378.04	307.04	417.82
(d)	Legal and professional expenses	61.10	65.52	192.08	179.97	241.68
(e)	Provision for doubtful debts / advances	143.54	28.88	477.38	401.41	702.36
(f)	Depreciation / amortisation	216.89	171.66	591.74	497.97	663.18
(g)	Other expenditure	323.20	559.50	1,260.26	1,696.20	2,335.98
	Total expenditure	4,029.91	4,633.00	12,845.08	13,590.00	18,479.74
3	Profit from operations before other income, interest and exceptional items (1-2)	659.57	598.91	2,185.12	1,316.45	2,130.01
4	Other Income	151.91	76.28	434.94	278.65	403.26
5	Profit before interest and exceptional items (3+4)	811.48	675.19	2,620.06	1,595.10	2,533.27
6	Interest	10.03	2.52	14.98	10.81	12.57
7	Profit after interest but before exceptional items (5-6)	801.45	672.67	2,605.08	1,584.29	2,520.70
8	Exceptional items (refer note 5 below)	-	-	(2,473.21)	-	-
9	Profit for the period / year from ordinary activities before tax (7+8)	801.45	672.67	131.87	1,584.29	2,520.70
10	Tax expense					
	Current tax	220.90	74.01	421.90	160.79	268.69
	MAT credit entitlement	(205.06)	(29.00)	(273.21)	(81.78)	(117.03)
	Deferred tax	(2.37)	4.83	22.19	(24.45)	(75.52)
	Fringe benefit tax	(22.82)	21.80	9.68	58.30	79.80
	Total	(9.35)	71.64	180.56	112.86	155.94
11	Net profit / (loss) for the period / year from ordinary activities after tax (9-10)	810.80	601.03	(48.69)	1,471.43	2,364.76
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit / (loss) for the period / year (11-12)	810.80	601.03	(48.69)	1,471.43	2,364.76
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 4 below)	1,224.30	1,350.88	1,224.30	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	6.54	4.42	(0.38)	10.83	17.42
	- Diluted	6.46	4.37	(0.38)	10.70	17.21
(b)	EPS for the period / year after extraordinary items					
	- Basic	6.54	4.42	(0.38)	10.83	17.42
	- Diluted	6.46	4.37	(0.38)	10.70	17.21
17	Public shareholding					
	- Number of shares	6,574,593	7,840,413	6,574,593	7,840,413	7,694,067
	- Percentage of shareholding	53.38	57.72	53.38	57.72	57.26
18	Promoters and Promoter Group Shareholding					
(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)	46.62	42.28	46.62	42.28	42.74

Notes:

- The results for the quarter and nine months ended September 30, 2009 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 24, 2009.
- An audit has been completed by the Statutory Auditors for the quarter and nine months ended September 30, 2009, quarter and nine months ended September 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 June 30, 2009	During July - September 2009	Amount incurred till September 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 September 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 1,265,820 equity shares up to August 27, 2009 inclusive of payout formalities (including 999,766 equity shares up to June 30, 2009) for an aggregate amount of Rs. 800 lakhs by utilising the Securities Premium Account to the extent of Rs. 673.42 lakhs and General Reserve to the extent of Rs. 126.58 lakhs. The Capital Redemption Reserve has been created out of General Reserve for Rs. 126.58 lakhs being the nominal value of equity shares bought back in terms of Section 77AA of the Companies Act, 1956. The Offer for Buy Back has been successfully completed 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) into new geographies / business verticals. During the quarter ended June 30, 2009, these subsidiaries have received termination notices from certain significant customers. Consequently 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.
- There were 9 Investor complaints received and disposed off during the quarter ended September 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

Date : October 24, 2009

Lt. Gen. Baldev Singh (Retd.)

[President & Senior Executive Director]

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

(Rs. in lakhs)

S. No.	Particulars	Quarter ended September 30,		Nine months ended September 30,		Year ended
		2009	2008	2009	2008	December 31,
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue					
	- Software development and customisation services	4,069.86	4,480.22	13,087.45	12,830.99	17,778.60
	- Business process outsourcing services	516.08	670.52	1,622.95	1,942.76	2,606.22
	Income from operations	4,585.94	5,150.74	14,710.40	14,773.75	20,384.82
2	Segment results before tax and interest					
	- Software development and customisation services	783.90	615.76	2,332.35	1,408.52	2,110.85
	- Business process outsourcing services*	(26.29)	110.76	(2,327.56)	311.20	377.55
	Total	757.61	726.52	4.79	1,719.72	2,488.40
	(i) Interest expense	(10.03)	(2.52)	(14.98)	(10.81)	(12.57)
	(ii) Interest income	136.08	65.22	391.56	252.26	364.54
	(iii) Other income	14.70	22.98	63.38	59.70	117.90
	(iv) Other unallocable expenses	(96.91)	(139.53)	(312.88)	(436.58)	(437.57)
	Profit before tax	801.45	672.67	131.87	1,584.29	2,520.70
3	Capital employed					
	- Software development and customisation services	11,874.96	12,613.23	11,874.96	12,613.23	12,235.74
	- Business process outsourcing services	(1,746.79)	613.53	(1,746.79)	613.53	606.62
	- Unallocated corporate	7,186.45	4,405.65	7,186.45	4,405.65	5,242.28
	Total capital employed	17,314.62	17,632.41	17,314.62	17,632.41	18,084.64

* After considering exceptional items as explained in note 5 to the audited financial results.