

R SYSTEMS INTERNATIONAL LIMITED

Regd. Office : B -104 A, Greater Kailash - I, New Delhi - 110 048

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2007

(Rs. In Lacs, except per share data)

Sr. No.	Particulars	Quarter Ended March 31		Year Ended December 31
		2007 (Reviewed)	2006 (Reviewed)	2006 (Audited)
1	Income from operations	5,936.11	4,413.04	20,394.58
2	Other income	85.97	50.19	402.08
3	Total	6,022.08	4,463.23	20,796.66
4	Total expenditure	5,556.57	3,957.28	18,617.17
	- Staff cost	3,911.88	2,877.19	12,702.99
	- Traveling and conveyance	452.34	269.96	1,586.68
	- Communication cost	168.20	97.99	496.98
	- Legal and professional expenses	546.99	413.34	1,968.78
	- Other expenditure	477.16	298.80	1,861.74
5	Interest	4.41	18.36	38.53
6	Depreciation/amortisation	176.49	112.52	591.24
7	Profit before tax and prior period expenses (3-4-5-6)	284.61	375.07	1,549.72
8	Prior period expenses	-	-	158.89
9	Profit before tax (7-8)	284.61	375.07	1,390.83
10	Provision for tax	74.58	46.82	608.40
	Current tax	51.32	17.96	155.23
	Deferred tax	6.54	15.55	398.91
	Fringe benefit tax	16.72	13.31	54.26
11	Net profit (9-10)	210.03	328.25	782.43
12	Paid up equity share capital (equity shares of Rs. 10/- each)	1,354.58	1,067.36	1,354.58
13	Reserve and surplus (refer note 5 below)			11,468.85
14	EPS for the period / year			
	- Basic and diluted EPS	1.55	3.07	6.17
15	Aggregate of public shareholding			
	Nos. of shares	8,042,374	Not applicable	8,111,179
	Percentage of shareholding	59.21	Not applicable	59.72

Notes

- The above results for the quarter ended March 31, 2007 were reviewed by the Audit Committee and have been taken on record by the Board of Directors in their meeting held on April 28, 2007.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter ended March 31, 2007 and March 31, 2006. Pursuant to Initial Public Offer of Company's shares, it has entered into Listing Agreements with NSE and BSE on April 21, 2006.
- The Statutory Auditors in their review report for quarter ended March 31, 2007 and in the audit report for the year ended December 31, 2006 have mentioned that the Company has not obtained any valuations of its shares to determine the additional benefit, if any, being offered to the existing option holders consequent to changes in the existing stock option plans. During the year ended December 31, 2006, the management has adjusted the number of options vesting to its employees and exercise price, to give effect to the consolidation and subsequent bonus issue. The management believes that above mentioned adjustment does not result in any additional benefit being offered to the employees.
- Pursuant to initial public offer, The Company gathered Rs. 7062.50 lacs (net of selling shareholders' proceeds), details of utilisation of IPO proceeds are as follows:

(Rs. In Lacs)

Object	Total estimated project cost *	Amount incurred till December 31, 2006	During January-March 2007	Amount incurred till March 31, 2007
Upgradation and expansion of existing infrastructure	3,150.00	1,748.79	185.89	1,934.68
Repayment of outstanding loans	365.50	365.50	-	365.50
Financing working capital requirements	1,795.10	863.24	-	863.24
General corporate purpose	621.90	570.87	-	570.87
Issue Expenses	1,130.00	985.62	0.89	986.52
Total	7,062.50	4,534.03	186.78	4,720.81

* The Company is seeking approval from its shareholders at forthcoming annual general meeting to be held on May 1, 2007 for revision of the estimated project cost among above mentioned heads.

Pending utilization, balance funds as at March 31, 2007 have been invested in fixed deposit with nationalised banks.

- The reserve and surplus as at December 31, 2006 was Rs.11,468.85 lacs after considering the proposed dividend of Rs. 1.2 per share amounting to Rs.162.99 lacs and Rs. 27.70 lacs for corporate dividend tax thereon as proposed by the board of directors on March 3, 2007 which is subject to approval by the shareholders at forthcoming annual general meeting .
- There were 13 Investor complaints/requests received and disposed off during quarter ended March 31, 2007. There were no pending complaints at the beginning and end of the quarter.
- Previous year's/ period's figures have been regrouped/ recast wherever applicable, to the extent possible.

For and on behalf of the Board

Sd/-

Satinder Singh Rekhi

[Managing Director]

Place : NOIDA

Date : April 28, 2007

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

(Rs in Lacs)

S. No.	Particulars	Quarter ended March 31,		Year ended December 31,
		2007	2006	2006
		(Reviewed)	(Reviewed)	(Audited)
1	Segment revenue			
	- Software development & customisation services	4,997.98	4,133.75	18,226.25
	- Business process outsourcing	938.13	279.29	2,168.33
2	Total revenue	5,936.11	4,413.04	20,394.58
3	Segment results			
	- Software development and customisation services	278.43	358.15	1,329.74
	- Business process outsourcing	55.05	40.92	139.59
4	Total segment profit before interest & tax	333.48	399.07	1,469.33
	- Interest expense	(4.41)	(18.36)	(38.53)
	- Interest income	78.60	5.85	235.44
	- Other income	0.40	44.34	81.39
	- Other unallocable expenses	(123.45)	(55.83)	(356.81)
5	Profit before tax	284.61	375.07	1,390.83
6	Provision for taxation			
	Current tax	(51.32)	(17.96)	(155.23)
	Deferred tax	(6.54)	(15.55)	(398.91)
	Fringe benefit tax	(16.72)	(13.31)	(54.26)
7	Profit after tax	210.03	328.25	782.43
8	Capital employed			
	- Software development and customisation services	9,460.54	4,877.45	9,237.99
	- Business process outsourcing	454.33	7.57	45.16
	- Unallocated corporate	3,114.44	495.45	3,540.28
9	Total capital employed	13,029.31	5,380.47	12,823.43

R SYSTEMS INTERNATIONAL LIMITED
Registered Office : B -104 A, Greater Kailash - I, New Delhi - 110 048
AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2007

(Rs. in lacs, except per share data)

S. No.	Particulars	Quarter ended		Year ended
		March 31, 2007	March 31, 2006	December 31, 2006
		(Audited)	(Reviewed)	(Audited)
1	Income from operations	3,627.12	2,445.55	11,754.13
2	Other income	112.34	53.03	493.16
3	Total (1+2)	3,739.46	2,498.58	12,247.29
4	Total expenditure	3,039.10	1,978.32	10,334.82
	- Staff cost	2,141.24	1,429.47	6,649.79
	- Traveling and conveyance	364.41	209.03	1,223.28
	- Communication cost	94.91	68.91	327.46
	- Legal and professional fees	88.91	65.65	237.32
	- Provision for doubtful debts	57.73	-	449.82
	- Other expenditure	291.90	205.26	1,447.15
5	Interest	6.40	17.99	42.70
6	Depreciation/amortisation	133.12	79.95	453.12
7	Profit/(loss) before tax and prior period expenses (3-4-5-6)	560.84	422.32	1,416.65
8	Less: Prior period expenses	-	-	158.89
9	Profit/(loss) for the year before tax and after prior period expenses (7-8)	560.84	422.32	1,257.76
10	Provision for taxation	76.41	56.99	252.88
	- Current tax	44.54	16.78	144.38
	- Deferred tax	15.15	26.90	54.24
	- Fringe benefit tax	16.72	13.31	54.26
11	Net profit/(loss) (9-10)	484.43	365.33	1,004.88
12	Paid up equity share capital (Face value Rs. 10/- each)	1,354.58	1,067.36	1,354.58
13	Reserves and surplus (refer note 5 below)	-	-	12,652.69
14	EPS for the period / year			
	- Basic and diluted EPS	3.57	3.42	7.92
15	Aggregate of public shareholding			
	- Number of shares	8,042,374	Not applicable	8,111,179
	- Percentage of shareholding	59.21	Not applicable	59.72

Notes

- The results for the quarter ended March 31, 2007 were reviewed by the Audit Committee and have been taken on record by the Board of Directors in their meeting held on April 28, 2007.
- An audit has been completed by Statutory Auditors for the quarter ended March 31, 2007. For the quarter ended March 31, 2006, a review was completed by the Statutory Auditors. Pursuant to Initial Public Offer of Company's shares, it has entered into Listing Agreements with NSE and BSE on April 21, 2006.
- The Statutory Auditors in their audit report for the quarter ended March 31, 2007 and in the audit report for the year ended December 31, 2006 have mentioned that the Company has not obtained any valuations of its shares to determine the additional benefit, if any, being offered to the existing option holders consequent to changes in the existing stock option plans. During the year ended December 31, 2006, the management has adjusted the number of options vesting to its employees and exercise price, to give effect to the consolidation and subsequent bonus issue. The management believes that above mentioned adjustment does not result in any additional benefit being offered to the employees.
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Repayment of outstanding loans	365.50	365.50	-	365.50
Financing working capital requirements	1,795.10	863.24	-	863.24
General corporate purpose	621.90	570.87	-	570.87
Issue expenses	1,130.00	985.62	0.89	986.52
Total	7,062.50	4,534.02	186.78	4,720.81

* The company is seeking approval from its shareholders at the forthcoming annual general meeting to be held on May 1, 2007 for revision of the estimated project cost among above mentioned heads.

Pending utilization, balance funds as at March 31, 2007 have been invested in fixed deposit with nationalised banks.

- The reserves and surplus as at December 31, 2006 was Rs.12,652.69 lacs after considering the proposed dividend of Rs. 1.2 per share amounting to Rs.162.99 lacs and Rs. 27.70 lacs for corporate dividend tax thereon as proposed by the board of directors on March 3, 2007 which is subject to approval by the shareholders at forthcoming annual general meeting.
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For and on behalf of the Board

Sd/-

Satinder Singh Rekhi

[Managing Director]

Place : Noida

Date : April 28, 2007

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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in lacs)

S. No.	Particulars	Quarter ended		Year ended
		March 31, 2007	March 31, 2006	December 31, 2006
		(Audited)	(Reviewed)	(Audited)
1	Segment revenue			
	- Software development and customisation services	3,115.41	2,166.26	10,252.58
	- Business process outsourcing services	511.71	279.29	1,501.55
2	Total revenue	3,627.12	2,445.55	11,754.13
3	Segment results			
	- Software development and customisation services	458.55	402.96	1,061.96
	- Business process outsourcing services	93.07	40.92	191.11
4	Total segment profit before interest and tax	551.62	443.88	1,253.07
	(i) Interest expense	(6.40)	(17.99)	(42.70)
	(ii) Interest income	84.67	11.46	262.95
	(iii) Other income	20.70	41.57	196.63
	(iv) Other unallocable expenses	(89.75)	(56.60)	(412.19)
5	Profit before tax	560.84	422.32	1,257.76
6	Provision for taxation			
	-Current tax	(44.54)	(16.78)	(144.38)
	-Deferred tax	(15.15)	(26.90)	(54.24)
	-Fringe benefit tax	(16.72)	(13.31)	(54.26)
7	Profit after tax	484.43	365.33	1,004.88
8	Capital employed			
	- Software development and customisation services	6,592.58	3,589.44	6,197.46
	- Business process outsourcing services	209.21	7.57	133.76
	- Unallocated corporate	7,689.89	2,733.17	7,676.03
9	Total capital employed	14,491.68	6,330.18	14,007.25