

R SYSTEMS INTERNATIONAL LIMITED

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

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2007

(Rs. In Lacs, except per share data)

Sr. No.	Particulars	Quarter ended		Half year ended		Year Ended
		June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	December 31, 2006
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Income from operations	5,892.73	4,954.62	11,828.84	9,367.65	20,394.58
2	Other income	139.45	60.29	217.62	102.63	402.08
3	Total	6,032.18	5,014.90	12,046.46	9,470.28	20,796.66
4	Total expenditure	5,454.71	4,276.48	11,009.95	8,225.91	18,617.17
	- Staff cost	3,644.31	2,918.06	7,556.18	5,795.24	12,702.99
	- Traveling and conveyance	601.02	327.44	1,053.37	597.40	1,586.68
	- Communication cost	167.22	104.63	335.42	202.62	496.98
	- Legal and professional expenses	553.52	477.69	1,106.99	891.03	1,968.78
	- Other expenditure	488.64	448.67	957.99	739.62	1,861.74
5	Interest	10.50	11.27	14.91	29.63	38.53
6	Depreciation/amortisation	165.66	124.55	342.15	237.06	591.24
7	Profit before tax and prior period expenses (3-4-5-6)	401.31	602.61	679.45	977.68	1,549.72
8	Add:- Prior period income/(expenses)	8.85	-	8.85	-	(158.89)
9	Profit before tax (7+8)	410.16	602.61	688.30	977.68	1,390.83
10	Provision for tax	87.95	73.34	156.06	120.16	608.40
	Current tax	56.98	41.19	101.83	59.13	155.23
	MAT credit entitlement	(15.50)	-	(15.50)	-	-
	Deferred tax	31.07	21.15	37.61	36.71	398.91
	Fringe benefit tax	15.40	11.00	32.12	24.31	54.26
11	Net profit (9-10)	322.21	529.26	532.24	857.52	782.43
12	Paid up equity share capital (equity shares of Rs. 10/- each)	1,350.88	1,346.17	1,350.88	1,346.17	1,350.88
13	Reserve and surplus					11,465.16
14	EPS for the period / year					
	- Basic and diluted EPS	2.37	4.09	3.92	7.25	6.17
15	Aggregate of public shareholding					
	Nos. of shares	8,042,374	8,098,882	8,042,374	8,098,882	8,111,179
	Percentage of shareholding	59.21	59.83	59.21	59.83	59.72

Notes

- The above results for the quarter and half year ended June 30, 2007 were reviewed by the Audit Committee and have been taken on record by the Board of Directors in their meeting held on July 30, 2007.
- The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter and half year ended June 30, 2007 and June 30, 2006.
- The Statutory Auditors in their review report for quarter and half year ended June 30, 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. 7,062.50 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 March 31, 2007	During April- June 2007	Amount incurred till June 30, 2007
Upgradation and expansion of existing infrastructure	3,150.00	1,934.68	119.07	2,053.75
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	15.33	586.20
Issue expenses	1,130.00	986.52	10.98	997.50
Total	7,062.50	4,720.81	145.38	4,866.19

* Saving in issue expenses of Rs 111.05 lacs and saving in general corporate expenses of Rs 4.38 lacs aggregating to Rs 115.43 lacs is proposed to be utilised for upgrading & expansion of existing infrastructure as approved by shareholders in the annual general meeting held on May 1, 2007.

Pending utilization, balance funds as at June 30, 2007 have been invested in fixed deposit with nationalised banks.

- There were 12 Investor complaints received and disposed off during quarter ended June 30, 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 : July 30, 2007

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

(Rs in Lacs)

S. No.	Particulars	Quarter ended		Half year ended		Year ended
		June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	December 31, 2006
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Segment revenue					
	- Software development & customisation services	5,019.78	4,625.49	10,017.76	8,759.23	18,226.25
	- Business process outsourcing	872.95	329.13	1,811.08	608.42	2,168.33
2	Total revenue	5,892.73	4,954.62	11,828.84	9,367.65	20,394.58
3	Segment results					
	- Software development and customisation services	326.94	591.47	598.89	911.63	1,329.74
	- Business process outsourcing	70.25	78.67	125.31	110.65	139.59
4	Total segment profit before interest & tax	397.19	670.14	724.19	1,022.28	1,469.33
	- Interest expense	(10.50)	(11.27)	(14.91)	(29.63)	(38.53)
	- Interest income	99.37	60.11	177.96	65.96	235.44
	- Other income	32.28	0.17	32.68	36.67	81.39
	- Other unallocable expenses	(108.17)	(116.55)	(231.62)	(117.60)	(356.81)
5	Profit before tax	410.16	602.61	688.30	977.68	1,390.83
6	Provision for taxation					
	Current tax	(56.98)	(41.19)	(101.83)	(59.13)	(155.23)
	MAT credit entitlement	15.50	-	15.50	-	-
	Deferred tax	(31.07)	(21.15)	(37.61)	(36.71)	(398.91)
	Fringe benefit tax	(15.40)	(11.00)	(32.12)	(24.31)	(54.26)
7	Profit after tax	322.21	529.26	532.24	857.52	782.43
8	Capital employed					
	- Software development and customisation services	5,236.65	7,192.00	5,236.65	7,192.00	9,237.99
	- Business process outsourcing	436.70	76.32	436.70	76.32	45.16
	- Unallocated corporate	7,558.33	5,781.53	7,558.33	5,781.53	3,540.28
9	Total capital employed	13,231.68	13,049.84	13,231.68	13,049.84	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 JUNE 30, 2007

(Rs. in lacs, except per share data)

S. No.	Particulars	Quarter ended		Half year ended		Year ended
		June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	December 31, 2006
		(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Income from operations	3,503.68	2,751.55	7,130.80	5,197.10	11,754.13
2	Other income	144.58	70.28	256.92	118.10	493.16
3	Total (1+2)	3,648.26	2,821.83	7,387.72	5,315.20	12,247.29
4	Total expenditure	3,109.96	2,113.45	6,149.06	4,086.59	10,334.82
	- Staff cost	2,111.37	1,528.76	4,252.60	2,958.23	6,649.79
	- Traveling and conveyance	464.69	227.67	829.11	436.71	1,223.28
	- Communication cost	108.19	69.41	203.10	138.32	327.46
	- Legal and professional fees	48.93	33.78	137.84	99.43	237.32
	- Provision for doubtful debts	60.84	33.27	118.57	33.27	449.82
	- Other expenditure	315.94	220.56	607.84	420.63	1,447.15
5	Interest	9.43	11.91	15.82	29.90	42.70
6	Depreciation/amortisation	124.26	98.07	257.39	178.01	453.12
7	Profit/(loss) before tax and prior period expenses (3-4-5-6)	404.61	598.39	965.45	1,020.70	1,416.65
8	Add: Prior period income/(expenses)	8.85	-	8.85	-	(158.89)
9	Profit/(loss) for the year before tax and after prior period expenses (7+8)	413.46	598.39	974.30	1,020.70	1,257.76
10	Provision for taxation	86.99	66.63	163.41	123.61	252.88
	- Current tax	56.30	38.50	100.85	55.28	144.38
	- MAT credit entitlement	(15.50)	-	(15.50)	-	-
	- Deferred tax	30.79	17.13	45.94	44.02	54.24
	- Fringe benefit tax	15.40	11.00	32.12	24.31	54.26
11	Net profit/(loss) (9-10)	326.47	531.76	810.89	897.09	1,004.88
12	Paid up equity share capital (Face value Rs. 10/- each)	1,350.88	1,346.17	1,350.88	1,346.17	1,350.88
13	Reserves and surplus	-	-	-	-	12,656.38
14	EPS for the period / year					
	- Basic and diluted EPS	2.40	4.11	5.97	7.59	7.92
15	Aggregate of public shareholding					
	- Number of shares	8,042,374	8,098,882	8,042,374	8,098,882	8,111,179
	- Percentage of shareholding	59.21	59.83	59.21	59.83	59.72

Notes

- The results for the quarter and half year ended June 30, 2007 were reviewed by the Audit Committee and have been taken on record by the Board of Directors in their meeting held on July 30, 2007.
- An audit has been completed by Statutory Auditors for the quarter and half year ended June 30, 2007. For the quarter and half year ended June 30, 2006, a review was completed by the Statutory Auditors.
- The Statutory Auditors in their audit report 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	15.33	586.20
Issue expenses	1,130.00	986.52	10.98	997.50
Total	7,062.50	4,720.81	145.38	4,866.19

* Saving in issue expenses of Rs 111.05 lacs and saving in general corporate expenses of Rs 4.38 lacs aggregating to Rs 115.43 lacs is proposed to be utilised for upgrading & expansion of existing infrastructure as approved by shareholders in the annual general meeting held on May 1, 2007.

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For and on behalf of the Board

Sd/-

Place : Noida
Date : July 30, 2007

Satinder Singh Rekhi
[Managing Director]

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

(Rs. in lacs)

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		June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	December 31, 2006
		(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Segment revenue					
	- Software development and customisation services	3,001.24	2,422.42	6,116.65	4,588.68	10,252.58
	- Business process outsourcing services	502.44	329.13	1,014.15	608.42	1,501.55
2	Total revenue	3,503.68	2,751.55	7,130.80	5,197.10	11,754.13
3	Segment results					
	- Software development and customisation services	290.97	525.95	749.52	928.90	1,061.96
	- Business process outsourcing services	84.84	69.27	177.91	110.19	191.11
4	Total segment profit before interest and tax	375.81	595.22	927.43	1,039.09	1,253.07
	(i) Interest expense	(9.42)	(11.91)	(15.82)	(29.90)	(42.70)
	(ii) Interest income	105.57	68.47	190.24	79.93	262.95
	(iii) Other income	39.00	1.81	59.70	38.18	196.63
	(iv) Other unallocable expenses	(97.50)	(55.19)	(187.25)	(106.59)	(412.19)
5	Profit before tax	413.46	598.39	974.30	1,020.70	1,257.76
6	Provision for taxation					
	-Current tax	(56.30)	(38.50)	(100.85)	(55.28)	(144.38)
	- MAT credit entitlement	15.50	-	15.50	-	-
	-Deferred tax	(30.79)	(17.13)	(45.94)	(44.02)	(54.24)
	-Fringe benefit tax	(15.40)	(11.00)	(32.12)	(24.31)	(54.26)
7	Profit after tax	326.47	531.76	810.89	897.09	1,004.88
8	Capital employed					
	- Software development and customisation services	7,015.65	5,086.26	7,015.65	5,086.26	6,197.46
	- Business process outsourcing services	235.66	75.86	235.66	75.86	133.76
	- Unallocated corporate	7,566.83	8,754.20	7,566.83	8,754.20	7,676.03
9	Total capital employed	14,818.14	13,916.32	14,818.14	13,916.32	14,007.25