

R SYSTEMS INTERNATIONAL LIMITED
Registered Office : B - 104A, Greater Kailash - I, New Delhi - 110 048
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2009

(Rs. in lakhs, except per share data)

S. No.	Particulars	Nine months ended September 30,	Quarter ended December 31,		Year ended December 31,	
			2009	2009	2009	2008
			(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 (a)	Income from operations	25,124.97	7,627.55	9,684.19	32,752.52	35,939.23
1 (b)	Other operating income	289.11	(2.11)	55.81	287.00	183.03
2	Expenditure					
(a)	Employees cost	15,699.47	4,597.04	5,742.41	20,296.51	21,645.03
(b)	Traveling and conveyance	1,456.88	494.14	490.93	1,951.02	2,334.32
(c)	Communication cost	548.40	164.50	181.23	712.90	706.09
(d)	Legal and professional expenses	2,131.98	606.65	837.88	2,738.63	3,447.37
(e)	Provision for doubtful debts / advances	402.41	76.41	217.35	478.82	394.78
(f)	Depreciation / amortisation	1,004.98	343.21	302.72	1,348.19	1,156.90
(g)	Other expenditure	2,164.88	697.93	1,126.89	2,862.81	3,749.11
	Total expenditure	23,409.00	6,979.88	8,899.41	30,388.88	33,433.60
3	Profit from operations before other income, interest and exceptional items (1-2)	2,005.08	645.56	840.59	2,650.64	2,688.66
4	Other Income	393.05	124.17	112.88	517.22	366.39
5	Profit before interest and exceptional items (3+4)	2,398.13	769.73	953.47	3,167.86	3,055.05
6	Interest	23.96	4.03	10.31	27.99	53.29
7	Profit after interest but before exceptional items (5-6)	2,374.17	765.70	943.16	3,139.87	3,001.76
8	Exceptional items (refer note 6 below)	(2,087.14)	-	-	(2,087.14)	-
9	Profit for the period / year from ordinary activities before tax (7+8)	287.03	765.70	943.16	1,052.73	3,001.76
10	Tax expense					
	Current tax	426.97	228.97	128.68	655.94	317.86
	MAT credit entitlement	(273.21)	(153.57)	(35.25)	(426.78)	(117.03)
	Deferred tax	22.19	19.66	(51.07)	41.85	(75.52)
	Fringe benefit tax	9.68	-	21.50	9.68	79.80
	Total tax expense	185.63	95.06	63.86	280.69	205.11
11	Net profit for the period / year from ordinary activities after tax (9-10)	101.40	670.64	879.30	772.04	2,796.65
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	101.40	670.64	879.30	772.04	2,796.65
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 5 below)	1,224.30	1,224.30	1,336.25	1,224.30	1,336.25
15	Reserves and surplus excluding revaluation reserves as at December 31, 2009 and December 31, 2008				15,515.00	15,829.01
16	Earnings per share (EPS)					
(a)	EPS for the period / year before extraordinary items					
- Basic		0.79	5.44	6.49	6.09	20.61
- Diluted		0.78	5.38	6.42	6.02	20.36
(b)	EPS for the period / year after extraordinary items					
- Basic		0.79	5.44	6.49	6.09	20.61
- Diluted		0.78	5.38	6.42	6.02	20.36
17	Public shareholding					
- Number of shares		6,574,593	6,574,593	7,694,067	6,574,593	7,694,067
- Percentage of shareholding		53.38	53.38	57.26	53.38	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	46.62	42.74	46.62	42.74

Notes:

- The results for the quarter and year ended December 31, 2009 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 21, 2010.
- The Board of Directors have recommended a dividend of Rs 2.40 per share, subject to the approval of the shareholders at the forthcoming annual general meeting.
- An audit has been completed by the Statutory Auditors for the year ended December 31, 2009 and year ended December 31, 2008. For the nine months ended September 30, 2009 a review was completed by the Statutory Auditors.
- 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:

Objects	Total estimated project cost*	Amount incurred till September 30, 2009	During October - December 2009	(Rs. in lakhs)	
				Amount incurred till December 31, 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 December 31, 2009 have been invested in fixed deposit with nationalised banks.

- The Company had issued a 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 had bought back 1,265,820 equity shares up to August 27, 2009 inclusive of payout formalities (including 146,346 equity shares up to December 31, 2008) at an average price of Rs. 63.20 per share 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 had 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)] in 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 2 investor complaints received and disposed off during the quarter ended December 31, 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 : February 21, 2010

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

(Rs. in lakhs)

S.No.	Particulars	Nine months ended	Quarter ended December 31,		Year ended December 31,	
		September 30,	2009	2008	2009	2008
		2009	2009	2008	2009	2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Segment revenue					
	- Software development and customisation services	18,731.09	5,755.08	6,977.41	24,486.17	25,711.30
	- Business process outsourcing services	6,476.78	1,894.08	2,720.59	8,370.86	10,283.02
	Less:- Elimination of intersegment sales	82.90	21.61	13.81	104.51	55.09
	Income from operations	25,124.97	7,627.55	9,684.19	32,752.52	35,939.23
2	Segment results before tax and interest					
	- Software development and customisation services	2,196.90	717.35	933.31	2,914.25	2,494.76
	- Business process outsourcing services *	(1,938.28)	46.06	132.73	(1,892.22)	755.37
	Total	258.62	763.41	1,066.04	1,022.03	3,250.13
	(i) Interest expense	(23.96)	(4.03)	(10.31)	(27.99)	(53.29)
	(ii) Interest income	393.05	124.17	112.88	517.22	366.39
	(iii) Other income	28.67	(5.00)	35.49	23.67	76.00
	(iv) Other unallocable expenses	(369.35)	(112.85)	(260.94)	(482.20)	(637.47)
	Profit before tax	287.03	765.70	943.16	1,052.73	3,001.76
3	Capital employed					
	- Software development and customisation services	10,336.58	10,399.11	10,474.32	10,399.11	10,474.32
	- Business process outsourcing services	(1,206.21)	(1,220.35)	1,168.40	(1,220.35)	1,168.40
	- Unallocated corporate	7,381.32	7,560.53	5,522.54	7,560.53	5,522.54
	Total capital employed	16,511.69	16,739.29	17,165.26	16,739.29	17,165.26

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

R SYSTEMS INTERNATIONAL LIMITED
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AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2009

(Rs. in lakhs, except per share data)

S. No.	Particulars	Nine months ended September 30,		Quarter ended December 31,		Year ended December 31,	
		2009	2008	2009	2008	2009	2008
		(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)
1 (a)	Income from operations	14,710.40	4,403.91	5,611.07	19,114.31	20,384.82	
1 (b)	Other operating income	319.80	23.18	92.23	342.98	224.93	
2	Expenditure						
(a)	Employees cost	8,822.81	2,674.27	3,226.90	11,497.08	12,222.13	
(b)	Traveling and conveyance	1,122.77	382.78	384.41	1,505.55	1,896.59	
(c)	Communication cost	378.04	116.71	110.78	494.75	417.82	
(d)	Legal and professional expenses	192.08	56.41	61.71	248.49	241.68	
(e)	Provision for doubtful debts / advances	477.38	(6.17)	300.95	471.21	702.36	
(f)	Depreciation / amortisation	591.74	212.88	165.21	804.62	663.18	
(g)	Other expenditure	1,260.26	347.45	639.78	1,607.71	2,335.98	
	Total expenditure	12,845.08	3,784.33	4,889.74	16,629.41	18,479.74	
3	Profit from operations before other income, interest and exceptional items (1-2)	2,185.12	642.76	813.56	2,827.88	2,130.01	
4	Other Income	434.94	138.94	124.61	573.88	403.26	
5	Profit before interest and exceptional items (3+4)	2,620.06	781.70	938.17	3,401.76	2,533.27	
6	Interest	14.98	2.01	1.76	16.99	12.57	
7	Profit after interest but before exceptional items (5-6)	2,605.08	779.69	936.41	3,384.77	2,520.70	
8	Exceptional items (refer note 6 below)	(2,473.21)	-	-	(2,473.21)	-	
9	Profit for the period / year from ordinary activities before tax (7+8)	131.87	779.69	936.41	911.56	2,520.70	
10	Tax expense						
	Current tax	421.90	209.75	107.90	631.65	268.69	
	MAT credit entitlement	(273.21)	(153.57)	(35.25)	(426.78)	(117.03)	
	Deferred tax	22.19	19.66	(51.07)	41.85	(75.52)	
	Fringe benefit tax	9.68	-	21.50	9.68	79.80	
	Total tax expense	180.56	75.84	43.08	256.40	155.94	
11	Net profit / (loss) for the period / year from ordinary activities after tax (9-10)	(48.69)	703.85	893.33	655.16	2,364.76	
12	Extraordinary items (net of tax expense)	-	-	-	-	-	
13	Net profit / (loss) for the period / year (11-12)	(48.69)	703.85	893.33	655.16	2,364.76	
14	Paid up equity share capital (Face value Rs. 10/- each) (refer note 5 below)	1,224.30	1,224.30	1,336.25	1,224.30	1,336.25	
15	Reserves and surplus excluding revaluation reserves as at December 31, 2009 and December 31, 2008				16,448.33	16,748.39	
16	Earnings per share (EPS)						
(a)	EPS for the period / year before extraordinary items						
	- Basic	(0.38)	5.71	6.60	5.17	17.42	
	- Diluted	(0.38)	5.64	6.52	5.11	17.21	
(b)	EPS for the period / year after extraordinary items						
	- Basic	(0.38)	5.71	6.60	5.17	17.42	
	- Diluted	(0.38)	5.64	6.52	5.11	17.21	
17	Public shareholding						
	- Number of shares	6,574,593	6,574,593	7,694,067	6,574,593	7,694,067	
	- Percentage of shareholding	53.38	53.38	57.26	53.38	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	46.62	42.74	46.62	42.74	

Notes:

- The results for the quarter and year ended December 31, 2009 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 21, 2010.
- The Board of Directors have recommended a dividend of Rs. 2.40 per share, subject to the approval of the shareholders at the forthcoming annual general meeting.
- An audit has been completed by the Statutory Auditors for the year ended December 31, 2009, nine months ended September 30, 2009 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)

Objects	Total estimated project cost*	Amount incurred till September 30, 2009	During October- December 2009	Amount incurred till December 31, 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 December 31, 2009 have been invested in fixed deposit with nationalised banks.

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- 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 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 2 investor complaints received and disposed off during the quarter ended December 31, 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 : February 21, 2010

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	Nine months ended September 30,	Quarter ended December 31,		Year ended December 31,	
		2009	2009	2008	2009	2008
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment revenue					
	- Software development and customisation services	13,087.45	3,904.59	4,947.61	16,992.04	17,778.60
	- Business process outsourcing services	1,622.95	499.32	663.46	2,122.27	2,606.22
	Income from operations	14,710.40	4,403.91	5,611.07	19,114.31	20,384.82
2	Segment results before tax and interest					
	- Software development and customisation services	2,332.35	699.02	821.30	3,031.37	2,110.85
	- Business process outsourcing services*	(2,327.56)	40.00	66.35	(2,287.56)	377.55
	Total	4.79	739.02	887.65	743.81	2,488.40
	(i) Interest expense	(14.98)	(2.01)	(1.76)	(16.99)	(12.57)
	(ii) Interest income	391.56	122.82	112.28	514.38	364.54
	(iii) Other income	63.38	16.27	58.20	79.65	117.90
	(iv) Other unallocable expenses	(312.88)	(96.41)	(119.96)	(409.29)	(437.57)
	Profit before tax	131.87	779.69	936.41	911.56	2,520.70
3	Capital employed					
	- Software development and customisation services	11,783.03	11,934.91	12,045.06	11,934.91	12,045.06
	- Business process outsourcing services	(1,746.79)	(1,717.28)	606.62	(1,717.28)	606.62
	- Unallocated corporate	7,278.38	7,455.00	5,432.96	7,455.00	5,432.96
	Total capital employed	17,314.62	17,672.63	18,084.64	17,672.63	18,084.64

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