

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

Registered Office : GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019

Tel : +91 120 4303500; Fax : +91 120 4082699

Website : www.rsystems.com; Email : rsil@rsystems.com

Statement of Consolidated Unaudited Financial Results for the Quarter Ended March 31, 2019

(Rs. in million, except per share data)

S.No.	Particulars (Refer notes)	Three months ended			Year ended
		31.03.2019	31.12.2018	31.03.2018	31.12.2018
		(Unaudited)	(Audited) Refer note 8	(Unaudited)	(Audited)
1	Income				
(a)	Revenue from operations	1,962.99	1,924.53	1,522.03	6,998.89
(b)	Other income	62.42	178.78	19.88	192.49
	Total income	2,025.41	2,103.31	1,541.91	7,191.38
2	Expenses				
(a)	Employee benefits expense	1,346.55	1,278.96	1,115.23	4,743.85
(b)	Finance costs	3.80	0.58	0.72	2.65
(c)	Depreciation and amortisation expense	43.05	34.53	32.90	135.48
(d)	Other expenses	443.39	464.77	337.99	1,682.58
	Total expenses	1,836.79	1,778.84	1,486.84	6,564.56
3	Profit before tax	188.62	324.47	55.07	626.82
4	Tax expense				
(a)	Current tax	51.90	36.08	24.79	124.22
(b)	Deferred tax charge / (credit)	12.90	28.43	(8.23)	(7.85)
	Total tax expense	64.80	64.51	16.56	116.37
5	Net profit for the period / year	123.82	259.96	38.51	510.45
6	Other comprehensive income / (loss) <i>Items that will not be reclassified to profit or loss</i>				
(a)	Remeasurements of the defined benefit plans	(6.39)	(8.13)	(0.68)	(0.77)
(b)	Deferred tax relating to remeasurements of the defined benefit plans	2.23	2.84	0.24	0.27
	<i>Items that will be reclassified to profit or loss</i>				
(a)	Foreign Currency Translation reserve	(21.82)	(54.44)	39.36	94.05
	Total Other comprehensive income / (loss)	(25.98)	(59.73)	38.92	93.55
7	Total comprehensive income for the period / year (5+6)	97.84	200.23	77.43	604.00
8	Profit attributable to				
	Equity shareholders to the company	123.82	259.96	38.51	510.45
	Non controlling interest	-	-	-	-
		123.82	259.96	38.51	510.45
9	Total comprehensive income attributable to				
	Equity shareholders to the company	97.84	200.23	77.43	604.00
	Non controlling interest	-	-	-	-
		97.84	200.23	77.43	604.00
10	Earnings per share (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	1.00	2.11	0.31	4.14
(b)	Diluted	1.00	2.11	0.31	4.14

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2019 were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on May 02, 2019.
- 2 The Limited Review as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the Statutory Auditor for the quarter ended March 31, 2019, quarter ended March 31, 2018 and audit for the quarter and year ended December 31, 2018 (also refer note 8 below) and expressed an unmodified opinion on the aforesaid results.
- 3 The scheme of amalgamation between R Systems International Limited ("the Company") and GM Solution Private Limited (the "Transferor Company") (hereinafter called 'the Scheme'), was approved by the National Company Law Tribunal, New Delhi Bench vide order dated December 07, 2018. As a result of the amalgamation all rights and obligations, assets and liabilities, interests and claims of the Transferor Company were transferred to the Company with effect from the appointed date i.e. January 1, 2018.

The aforesaid Scheme was accounted under 'common control' method in accordance Ind AS 103 "Business Combinations" and correspondingly all assets, liabilities and reserves of the Transferor Company were accounted for at their respective book value in the books of the Company effective January 01, 2017. Accordingly, the results for the quarter ended March 31, 2018 have been restated to give effect the Scheme. Consequent to this restatement, the profit after tax for the quarter ended March 31, 2018 is lower by INR 3,297.
- 4 The Company has issued Public Announcement dated January 16, 2019, for buy-back of equity shares of face value of Re. 1/- each from its existing shareholders as on the record date of February 01, 2019 on a proportionate basis through "Tender Offer" route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 and the Companies Act, 2013 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 239.85 million. Subsequent to the quarter end, the Company has bought back 3.69 million equity shares for an aggregate amount of Rs. 239.85 million on April 09, 2019 and the aforesaid equity shares have been extinguished on April 15, 2019.
- 5 Effective January 1, 2019, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as at the date of initial application. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of the standard did not have any significant impact to the financial results of the Company.
- 6 During the quarter ended March 31, 2019, R Systems, Inc. (a wholly owned subsidiary of the Company) has completed the acquisition of 100% interest in Innovizant LLC, (Innovizant) effective January 1, 2019. Innovizant is engaged in providing IT Services focused on advanced analytics, data engineering, and digital connected systems. The management has assessed the fair value of investment at USD 3.02 million, out of which USD 1 million was paid on closing of the transaction and balance to be paid over the next three years on fulfillment of certain conditions. As per the requirement of Ind AS 103 "Business Combination" investment value is allocated to the identifiable assets and liabilities at fair value and the balance amount is kept under goodwill.
- 7 During the year ended December 31, 2018, the Company had issued 37,500 equity shares of Re. 1/- each pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
- 8 Figures for the quarter ended December 31, 2018 are equivalent to the difference between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year which were subjected to quarterly limited review by the statutory auditors.
- 9 Refer to Annexure A for consolidated segment information.
- 10 Previous period's figures have been regrouped wherever applicable, to the extent possible, to conform to the current period presentation.

For and on behalf of the Board

Sd/-

Lt. Gen. Baldev Singh (Retd.)
President & Senior Executive Director
DIN: 00006966

Place : NOIDA
Date : May 02, 2019

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Segment Information

		(Rs. in million)			
S.No.	Particulars	Three months ended			Year ended
		31.03.2019	31.12.2018	31.03.2018	31.12.2018
		(Unaudited)	(Audited) Refer note 8	(Unaudited)	(Audited)
1	Segment revenue				
	- Information technology services	1,782.49	1,729.68	1,384.65	6,286.48
	- Business process outsourcing services	188.09	200.88	142.86	735.59
	Total	1,970.58	1,930.56	1,527.51	7,022.07
	Less: Elimination of intersegment sales	7.59	6.03	5.48	23.18
	Revenue from operations	1,962.99	1,924.53	1,522.03	6,998.89
2	Segment results before tax, interest and exceptional items				
	- Information technology services	175.20	291.95	48.51	528.52
	- Business process outsourcing services	16.63	37.28	6.57	108.83
	Total	191.83	329.23	55.08	637.35
	(i) Finance costs	(3.80)	(0.58)	(0.72)	(2.65)
	(ii) Interest income	17.34	16.00	17.54	64.06
	(iii) Other unallocable income	5.25	5.40	2.56	16.98
	(iv) Other unallocable expenses	(22.00)	(25.58)	(19.39)	(88.92)
	Profit before tax	188.62	324.47	55.07	626.82

Note: Assets and liabilities of the Company are used interchangeably between segments and the Chief Operating Decision Maker (CODM) does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.

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Statement of Standalone Audited Financial Results for the quarter ended March 31, 2019

(Rs. in million, except per share data)

S.No.	Particulars (Refer notes)	Three months ended			Year ended
		31.03.2019	31.12.2018	31.03.2018	31.12.2018
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income				
(a)	Revenue from operations	931.11	879.29	691.91	3,172.13
(b)	Other income	58.04	81.41	17.18	87.28
	Total income	989.15	960.70	709.09	3,259.41
2	Expenses				
(a)	Employee benefits expense	628.21	579.00	507.11	2,169.18
(b)	Finance costs	0.71	0.52	0.65	2.32
(c)	Depreciation and amortisation expense	19.66	18.61	18.08	73.01
(d)	Other expenses	164.37	162.44	123.97	609.46
	Total expenses	812.95	760.57	649.81	2,853.97
3	Profit before tax	176.20	200.13	59.28	405.44
4	Tax expense				
(a)	Current tax	37.97	30.67	22.05	99.35
(b)	Deferred tax charge / (credit)	20.03	37.96	(10.08)	(4.05)
	Total tax expense	58.00	68.63	11.97	95.30
5	Net profit for the period / year	118.20	131.50	47.31	310.14
6	Other comprehensive income/(loss) <i>Items that will not be reclassified to profit or loss</i>				
(a)	Re-measurements of the defined benefit plans	(6.39)	(8.13)	(0.68)	(0.77)
(b)	Deferred tax relating to re-measurements of the defined benefit plans	2.23	2.84	0.24	0.27
	Total Other comprehensive income/(loss)	(4.16)	(5.29)	(0.44)	(0.50)
7	Total comprehensive income for the period / year (5+6)	114.04	126.21	46.87	309.64
8	Earnings per share (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	0.96	1.07	0.38	2.52
(b)	Diluted	0.96	1.07	0.38	2.52

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2019 were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on May 02, 2019.
- 2 An audit has been completed by the Statutory Auditors for the quarter ended March 31, 2019, quarter ended March 31, 2018 and for the quarter and year ended December 31, 2018. The statutory auditors have expressed an unqualified audit opinion on the aforesaid results.
- 3 The scheme of amalgamation between R Systems International Limited ("the Company") and GM Solution Private Limited (the "Transferor Company") (hereinafter called 'the Scheme'), was approved by the National Company Law Tribunal, New Delhi Bench vide order dated December 07, 2018. As a result of the amalgamation all rights and obligations, assets and liabilities, interests and claims of the Transferor Company were transferred to the Company with effect from the appointed date i.e. January 1, 2018.

The aforesaid Scheme was accounted under 'common control' method in accordance Ind AS 103 "Business Combinations" and correspondingly all assets, liabilities and reserves of the Transferor Company were accounted for at their respective book value in the books of the Company effective January 01, 2017. Accordingly, the results for the quarter ended March 31, 2018 have been restated to give effect the Scheme. Consequent to this restatement, the profit after tax for the quarter ended March 31, 2018 is lower by INR 3,297.
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- 5 Effective January 1, 2019, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as at the date of initial application. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of the standard did not have any significant impact to the financial results of the Company.
- 6 During the year ended December 31, 2018, the Company had issued 37,500 equity shares of Re. 1/- each pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
- 7 Refer to Annexure A for segment information.
- 8 Previous period's figures have been regrouped wherever applicable, to the extent possible, to conform to the current period presentation.

For and on behalf of the Board

Sd/-

Lt. Gen. Baldev Singh (Retd.)
President & Senior Executive Director
DIN: 00006966

Place : NOIDA

Date : May 02, 2019

R SYSTEMS INTERNATIONAL LIMITED
Standalone Segment Information

(Rs. in million)

S.No.	Particulars	Three months ended			Year ended
		31.03.2019	31.12.2018	31.03.2018	31.12.2018
		(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue				
	- Information technology services	743.02	678.41	549.05	2,436.54
	- Business process outsourcing services	188.09	200.88	142.86	735.59
	Revenue from operations	931.11	879.29	691.91	3,172.13
2	Segment results before tax, interest and exceptional items				
	- Information technology services	158.17	163.86	50.80	299.28
	- Business process outsourcing services	16.63	37.28	6.57	108.83
	Total	174.80	201.14	57.37	408.11
	(i) Finance costs	(0.71)	(0.52)	(0.65)	(2.32)
	(ii) Interest income	15.24	13.92	16.41	57.81
	(iii) Other unallocable income	5.25	5.39	2.55	16.98
	(iv) Other unallocable expenses	(18.38)	(19.80)	(16.40)	(75.14)
	Profit before tax	176.20	200.13	59.28	405.44

Note: Assets and liabilities of the Company are used interchangeably between segments and the Chief Operating Decision Maker (CODM) does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.