

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 and Nine Months Ended September 30, 2019

(Rs. in million, except per share data)							
S.No.	Particulars (Refer notes)	Three months ended			Nine months ended		Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.12.2018 (Audited)
1	Income						
(a)	Revenue from operations	1,973.95	2,028.11	1,863.95	5,965.05	5,074.35	6,998.89
(b)	Other income	35.67	28.26	(16.03)	123.27	13.71	192.49
	Total income	2,009.62	2,056.37	1,847.92	6,088.32	5,088.06	7,191.38
2	Expenses						
(a)	Employee benefits expense	1,360.23	1,356.30	1,225.28	4,063.08	3,464.90	4,743.85
(b)	Finance costs	4.29	4.20	0.71	12.28	2.06	2.65
(c)	Depreciation and amortisation expense	45.14	44.56	34.44	132.75	100.94	135.48
(d)	Other expenses	460.64	488.86	433.19	1,389.82	1,217.80	1,682.58
	Total expenses	1,870.30	1,893.92	1,693.62	5,597.93	4,785.70	6,564.56
3	Profit before tax	139.32	162.45	154.30	490.39	302.36	626.82
4	Tax expense						
(a)	Current tax	31.56	44.67	45.59	128.13	88.13	124.22
(b)	Deferred tax charge / (credit)	(1.30)	1.73	(16.66)	13.33	(36.28)	(7.85)
	Total tax expense	30.26	46.40	28.93	141.46	51.85	116.37
5	Net profit for the period / year	109.06	116.05	125.37	348.93	250.51	510.45
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	(2.48)	(5.19)	3.23	(14.06)	7.36	(0.77)
(b)	Deferred tax relating to remeasurements of the defined benefit plans	0.72	1.82	(1.13)	4.77	(2.57)	0.27
	<i>Items that will be reclassified to profit or loss</i>						
(a)	Foreign Currency Translation reserve	16.38	3.98	80.48	(1.46)	148.49	94.05
	Total Other comprehensive income / (loss)	14.62	0.61	82.58	(10.75)	153.28	93.55
7	Total comprehensive income for the period / year (5+6)	123.68	116.66	207.95	338.18	403.79	604.00
8	Profit attributable to						
	Equity shareholders to the company	109.06	116.05	125.37	348.93	250.51	510.45
	Non controlling interest	-	-	-	-	-	-
		109.06	116.05	125.37	348.93	250.51	510.45
9	Total comprehensive income attributable to						
	Equity shareholders to the company	123.68	116.66	207.95	338.18	403.79	604.00
	Non controlling interest	-	-	-	-	-	-
		123.68	116.66	207.95	338.18	403.79	604.00
10	Earnings per share (Face value of Re. 1/- each) (not annualised)						
(a)	Basic	0.91	0.97	1.02	2.89	2.03	4.14
(b)	Diluted	0.91	0.97	1.02	2.89	2.03	4.14

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter and nine months ended September 30, 2019 were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on October 25, 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 and nine months ended September 30, 2019 and September 30, 2018, quarter ended June 30, 2019 and audit for the year ended December 31, 2018 and expressed an unmodified opinion on the aforesaid results.
- 3 The scheme of amalgamation between R Systems International Limited ("the Company") and GM Solutions 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 nine months ended September 30, 2018 have been restated to give effect the Scheme. Consequent to this restatement, the profit after tax for the quarter and nine months ended September 30, 2018 is lower by Rs. 0.32 million and Rs. 3.13 million, respectively.
- 4 The Company has received an approval from Department of Commerce, Ministry of Commerce & Industry, Government of India on September 23, 2019 for setting up a new 'Special Economic Zone' (SEZ - Unit II) unit located at Greater Noida West (NCR) having area of 30,706 sq. ft.
- 5 Effective January 1, 2019, the Company has 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 does 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 IBIZ Consulting (Thailand) Co. Ltd., Thailand became a subsidiary of IBIZ Consulting Pte Ltd., Singapore, a wholly owned subsidiary of the Company w.e.f. June 21, 2019. IBIZ Consulting (Thailand) Co. Ltd has applied for the business license in Thailand which is still under process with the authorities.
- 8 During the nine months ended September 30, 2019, the Company has 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.

During the nine month ended September 30, 2018 and 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.
- 9 Refer 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 : October 25, 2019

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Segment Information

Annexure A

		(Rs. in million)					
S.No.	Particulars	Three months ended			Nine months ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.12.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue						
	- Information technology services	1,813.27	1,837.44	1,654.75	5,433.20	4,556.79	6,286.48
	- Business process outsourcing services	167.64	200.98	215.17	556.71	534.71	735.59
	Total	1,980.91	2,038.42	1,869.92	5,989.91	5,091.50	7,022.07
	Less: Elimination of intersegment sales	6.96	10.31	5.97	24.86	17.15	23.18
	Revenue from operations	1,973.95	2,028.11	1,863.95	5,965.05	5,074.35	6,998.89
2	Segment results before tax, interest and exceptional items						
	- Information technology services	140.42	148.65	105.10	464.27	233.44	528.52
	- Business process outsourcing services	6.22	20.80	51.50	43.65	71.55	108.83
	Total	146.64	169.45	156.60	507.92	304.99	637.35
	(i) Finance costs	(4.29)	(4.20)	(0.71)	(12.28)	(2.06)	(2.65)
	(ii) Interest income	14.09	12.44	14.17	43.87	48.06	64.06
	(iii) Other unallocable income	6.84	6.32	5.14	18.41	11.58	16.98
	(iv) Other unallocable expenses	(23.96)	(21.56)	(20.90)	(67.53)	(60.21)	(88.92)
	Profit before tax	139.32	162.45	154.30	490.39	302.36	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 and Nine months Ended September 30, 2019

(Rs. in million, except per share data)							
S.No.	Particulars (Refer notes)	Three months ended			Nine months ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.12.2018
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income						
(a)	Revenue from operations	979.89	997.00	852.46	2,908.00	2,292.84	3,172.13
(b)	Other income	27.85	30.51	(12.91)	116.39	5.87	87.28
	Total income	1,007.74	1,027.51	839.55	3,024.39	2,298.71	3,259.41
2	Expenses						
(a)	Employee benefits expense	665.65	660.32	558.26	1,954.17	1,590.18	2,169.18
(b)	Finance costs	1.20	1.15	0.50	3.05	1.80	2.32
(c)	Depreciation and amortisation expense	22.22	22.19	18.22	64.07	54.40	73.01
(d)	Other expenses	171.68	187.36	151.00	523.41	447.02	609.46
	Total expenses	860.75	871.02	727.98	2,544.70	2,093.40	2,853.97
3	Profit before tax	146.99	156.49	111.57	479.69	205.31	405.44
4	Tax expense						
(a)	Current tax	31.90	38.20	33.57	108.07	68.68	99.35
(b)	Deferred tax charge / (credit)	(9.13)	4.13	(17.82)	15.04	(42.01)	(4.05)
	Total tax expense	22.77	42.33	15.75	123.11	26.67	95.30
5	Net profit for the period / year	124.22	114.16	95.82	356.58	178.64	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	(2.48)	(5.19)	3.22	(14.06)	7.36	(0.77)
(b)	Deferred tax relating to re-measurements of the defined benefit plans	0.72	1.81	(1.12)	4.77	(2.57)	0.27
	Total Other comprehensive income / (loss)	(1.76)	(3.38)	2.10	(9.29)	4.79	(0.50)
7	Total comprehensive income for the period / year (5+6)	122.46	110.78	97.92	347.29	183.43	309.64
8	Earnings per share (Face value of Re. 1/- each) (not annualised)						
(a)	Basic	1.04	0.95	0.78	2.95	1.45	2.52
(b)	Diluted	1.04	0.95	0.78	2.95	1.45	2.52

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter and nine months ended September 30, 2019 were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on October 25, 2019.
- 2 An audit has been completed by the Statutory Auditors for the quarter and nine months ended September 30, 2019 and September 30, 2018, quarter ended June 30, 2019 and year ended December 31, 2018. The statutory auditors have expressed an unmodified audit opinion on the aforesaid results.
- 3 The scheme of amalgamation between R Systems International Limited ("the Company") and GM Solutions 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 nine months ended September 30, 2018 have been restated to give effect the Scheme. Consequent to this restatement, the profit after tax for the quarter and nine months ended September 30, 2018 is lower by Rs. 0.32 million and Rs. 3.13 million, respectively.

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During the nine month ended September 30, 2018 and 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 Annexure A for standalone 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 : October 25, 2019

R SYSTEMS INTERNATIONAL LIMITED
Standalone Segment Information

(Rs. in million)

S.No.	Particulars	Three months ended			Nine months ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.12.2018
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue						
	- Information technology services	812.25	796.02	637.29	2,351.29	1,758.13	2,436.54
	- Business process outsourcing services	167.64	200.98	215.17	556.71	534.71	735.59
	Revenue from operations	979.89	997.00	852.46	2,908.00	2,292.84	3,172.13
2	Segment results before tax, interest and exceptional items						
	- Information technology services	144.41	137.55	61.36	440.13	135.42	299.28
	- Business process outsourcing services	6.22	20.80	51.50	43.65	71.55	108.83
	Total	150.63	158.35	112.86	483.78	206.97	408.11
	(i) Finance costs	(1.20)	(1.15)	(0.50)	(3.05)	(1.80)	(2.32)
	(ii) Interest income	11.91	11.10	12.53	38.25	43.89	57.81
	(iii) Other unallocable income	6.84	6.32	5.16	18.41	11.59	16.98
	(iv) Other unallocable expenses	(21.19)	(18.13)	(18.48)	(57.70)	(55.34)	(75.14)
	Profit before tax	146.99	156.49	111.57	479.69	205.31	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.