

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

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

Tel : +91 120 4303500; Fax : +91 120 2587123

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

Statement of Consolidated Unaudited Results for the Quarter Ended March 31, 2017

(Rs. in lakhs, except per share data)					
S.No.	Particulars (Refer notes)	Three Months Ended			Year Ended
		31.03.2017 (Unaudited)	31.12.2016 (Audited) Refer note 6	31.03.2016 (Unaudited)	31.12.2016 (Audited)
1	Income from operations				
(a)	Income from operations	14,429.77	15,340.20	14,186.89	58,823.73
(b)	Other operating income	399.92	326.21	(6.82)	638.57
	Total income from operations	14,829.69	15,666.41	14,180.07	59,462.30
2	Expenses				
(a)	Employee benefits expense	10,071.86	9,909.74	9,136.19	37,978.92
(b)	Depreciation and amortisation expense	284.33	289.44	283.14	1,151.20
(c)	Travelling and conveyance	774.89	524.64	950.08	2,433.34
(d)	Communication costs	162.18	182.43	158.17	721.88
(e)	Legal and professional expenses (including subcontract expenses)	1,308.28	1,471.50	1,562.46	5,886.26
(f)	Provision for doubtful debts and advances (net)	16.68	-	-	-
(g)	Other expenses	1,323.65	1,484.74	946.61	4,738.37
	Total expenses	13,941.87	13,862.49	13,036.65	52,909.97
3	Profit from operations before other income, finance costs and exceptional items (1-2)	887.82	1,803.92	1,143.42	6,552.33
4	Other income	141.03	209.13	136.08	632.11
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,028.85	2,013.05	1,279.50	7,184.44
6	Finance costs	39.99	16.83	17.60	79.17
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	988.86	1,996.22	1,261.90	7,105.27
8	Exceptional items (refer note 3)	-	463.47	-	463.47
9	Profit from ordinary activities before tax (7+8)	988.86	2,459.69	1,261.90	7,568.74
10	Tax expense				
	Current tax [refer note 3 (c) and 4]	459.59	737.51	536.44	2,440.27
	MAT credit (related to earlier years)	-	(151.27)	-	(151.27)
	Deferred tax charge / (credit)	2.94	13.67	(38.23)	(89.10)
	Total tax expense	462.53	599.91	498.21	2,199.90
11	Net profit from ordinary activities after tax (9-10)	526.33	1,859.78	763.69	5,368.84
12	Extraordinary items (net of tax expense)	-	-	-	-
13	Net profit for the period / year (11-12)	526.33	1,859.78	763.69	5,368.84
14	Share of profit / (loss) of associates	-	-	-	-
15	Minority Interest	-	-	-	-
16	Net profit after taxes, minority interest and share of profit / (loss) of associates (13+14-15)	526.33	1,859.78	763.69	5,368.84
17	Paid - up equity share capital (Face value Re. 1/- each) (refer note 5)	1,231.31	1,231.31	1,261.31	1,231.31
18	Reserves excluding Revaluation Reserves as at December 31, 2016				26,565.99
19.i	Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	0.42	1.48	0.60	4.24
(b)	Diluted	0.42	1.48	0.60	4.24
19.ii	Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	0.42	1.48	0.60	4.24
(b)	Diluted	0.42	1.48	0.60	4.24

See accompanying notes to the financial results.

Notes:

- 1 The results for the quarter ended March 31, 2017 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on May 04, 2017.
- 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, 2017 and March 31, 2016 and audit for the quarter and year ended December 31, 2016 (also refer note 6 below). There is no qualification in the Auditors' Report on these financial results.
- 3 'Exceptional items':
 - (a) On July 11, 2014, the Company had incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited (which was later converted into R Systems Products & Technologies Private Limited ("RSPTPL") on May 28, 2015). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 had accorded necessary approval for transfer of the Company's Indus Business Unit operated out of Pune and Chennai to RSPTPL. The Company had entered into 'Business Transfer Agreement' (BTA) with RSPTPL on June 27, 2015 for the aforesaid transfer on a going concern basis by way of slump sale, for consideration of Rs. 7,839.00 lakhs to be discharged by RSPTPL through issuance of 60,000,003 equity shares of Re. 1/- each at a premium of Rs. 6.227333 per share and 35,026 compulsorily redeemable debentures of Rs. 10,000 each to be redeemed over a period of 4 years, on the terms and conditions agreed in BTA and Debenture Subscription Agreement. The Company had also entered into 'Share Purchase Agreement' (SPA) with BD Capital Partners Ltd. ("BDC"), a Mauritius based company on June 27, 2015 to sell 93% of its equity share in RSPTPL to BDC for a consideration of Rs. 4,431.70 lakhs (USD 7 million). The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015. The name of RSPTPL was changed to Indus Software Technologies Private Limited (ISPTPL) w.e.f August 19, 2015. Subject to the satisfaction of certain conditions, BDC had also agreed to purchase the balance 7% equity shares for a consideration up to USD 1 million. During the quarter ended December 31, 2016, the Company had received the consideration for the sale of balance 7% share in ISPTPL. The gain on sale of aforesaid equity share amounting to Rs. 371.74 lakhs is disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016.
 - (b) The Company, during the quarter ended December 31, 2016, had realised additional amount of Rs. 91.73 lakhs towards the sale of Indus Business unit and disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016.
 - (c) The consequent tax expense of above 'Exceptional items' amounting to Rs. 148.01 lakhs for the quarter and year ended December 31, 2016, is included in the 'Current tax' in the financial results for the relevant period.
- 4 During the quarter ended March 31, 2017, the current tax includes Rs. 36.86 lakhs pertaining to earlier period.
- 5 The Company had issued Public Announcement dated September 15, 2016, for buy-back of equity shares of face value of Re. 1/- each from its existing shareholders as on the record date September 30, 2016 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, 1998 and the Companies Act, 2013 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 1,950 lakhs. Under the Buy-back offer, the Company had bought back 30 lakhs equity shares for an aggregate amount of Rs. 1,950 lakhs by utilising the Securities Premium Account to the extent of Rs. 1,920 lakhs and General Reserve to the extent of Rs. 30 lakhs. The Capital Redemption Reserve was created out of General Reserve for Rs. 30 lakhs being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The aforesaid buy-back was completed on November 29, 2016.
- 6 Figures for the quarter ended December 31, 2016 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.
- 7 Refer Annexure A for segment wise consolidated revenue, results, assets and liabilities.
- 8 Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period / year presentation.

For and on behalf of the Board

Place : NOIDA
Date : May 04, 2017

Sd/-
Lt. Gen. Baldev Singh (Retd.)
[President & Senior Executive Director]
[DIN: 00006966]

R SYSTEMS INTERNATIONAL LIMITED
Segment Wise Consolidated Revenue, Results, Assets and Liabilities

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Year Ended
		31.03.2017	31.12.2016	31.03.2016	31.12.2016
		(Unaudited)	(Audited) Refer note 6	(Unaudited)	(Audited)
1	Segment revenue				
	- Information technology services	13,359.42	14,156.73	13,196.27	54,491.21
	- Business process outsourcing services	1,117.27	1,231.37	1,038.30	4,522.54
	Total	14,476.69	15,388.10	14,234.57	59,013.75
	Less: Elimination of intersegment sales	46.92	47.90	47.68	190.02
	Income from operations	14,429.77	15,340.20	14,186.89	58,823.73
2	Segment results before tax, interest and exceptional items				
	- Information technology services	1,049.35	1,915.32	1,194.07	6,774.81
	- Business process outsourcing services	(2.85)	120.70	114.87	488.43
	Total	1,046.50	2,036.02	1,308.94	7,263.24
	(i) Interest expense	(23.07)	(4.08)	(3.03)	(13.63)
	(ii) Interest income	125.03	193.13	120.08	568.11
	(iii) Other unallocable income	16.00	16.00	16.00	64.00
	(iv) Exceptional items (refer note 3)	-	463.47	-	463.47
	(v) Other unallocable expenses	(175.60)	(244.85)	(180.09)	(776.45)
	Profit before tax	988.86	2,459.69	1,261.90	7,568.74
3	Capital employed				
a	Segment assets				
	- Information technology services	21,744.82	22,027.20	19,666.82	22,027.20
	- Business process outsourcing services	3,344.69	3,344.80	2,875.79	3,344.80
	- Inter segment assets elimination	(269.98)	(348.70)	(109.39)	(348.70)
	- Unallocated corporate assets	14,004.19	13,272.82	13,732.17	13,272.82
	Total segment assets (A)	38,823.72	38,296.12	36,165.39	38,296.12
b	Segment liabilities				
	- Information technology services	9,407.43	8,944.39	8,382.90	8,944.39
	- Business process outsourcing services	511.15	498.69	411.43	498.69
	- Inter segment liabilities elimination	(269.98)	(348.70)	(109.39)	(348.70)
	- Unallocated corporate liabilities	1,346.83	1,404.44	2,012.71	1,404.44
	Total segment liabilities (B)	10,995.43	10,498.82	10,697.65	10,498.82
	Capital employed (A- B)	27,828.29	27,797.30	25,467.74	27,797.30

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Statement of Standalone Audited Results for the Quarter Ended March 31, 2017

(Rs. in lakhs, except per share data)					
S.No.	Particulars	Three Months Ended			Year Ended
		31.03.2017	31.12.2016	31.03.2016	31.12.2016
	(Refer notes)	(Audited)	(Audited) Refer Note 6	(Audited)	(Audited)
1	Income from operations				
(a)	Income from operations	6,499.39	6,883.18	6,387.25	26,317.69
(b)	Other operating income	306.36	161.35	146.60	606.95
	Total income from operations	6,805.75	7,044.53	6,533.85	26,924.64
2	Expenses				
(a)	Employee benefits expense	4,609.64	4,549.23	3,863.09	16,631.78
(b)	Depreciation and amortisation expense	174.68	172.00	174.34	693.03
(c)	Travelling and conveyance	391.99	305.25	446.20	1,451.65
(d)	Communication costs	117.55	141.04	110.66	538.36
(e)	Legal and professional expenses (including subcontract expenses)	75.68	193.62	93.32	582.18
(f)	Provision for doubtful debts and advances (net)	30.56	-	-	-
(g)	Other expenses	522.63	508.44	456.80	1,946.45
	Total expenses	5,922.73	5,869.58	5,144.41	21,843.45
3	Profit from operations before other income, finance costs and exceptional items (1-2)	883.02	1,174.95	1,389.44	5,081.19
4	Other income	140.50	208.45	135.60	629.72
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,023.52	1,383.40	1,525.04	5,710.91
6	Finance costs	29.96	7.70	6.85	36.84
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	993.56	1,375.70	1,518.19	5,674.07
8	Exceptional items (refer note 3)	-	463.47	-	463.47
9	Profit from ordinary activities before tax (7+8)	993.56	1,839.17	1,518.19	6,137.54
10	Tax expense				
	Current tax [refer note 3 (c) and 4]	377.86	635.56	557.38	2,249.44
	MAT credit (related to earlier years)	-	(151.27)	-	(151.27)
	Deferred tax charge / (credit)	17.41	3.45	(11.00)	(82.01)
	Total tax expense	395.27	487.74	546.38	2,016.16
11	Net profit from ordinary activities after tax (9-10)	598.29	1,351.43	971.81	4,121.38
12	Extraordinary items (net of tax expense)	-	-	-	-
13	Net profit for the period / year (11-12)	598.29	1,351.43	971.81	4,121.38
14	Paid - up equity share capital (Face value Re. 1/- each) (refer note 5)	1,231.31	1,231.31	1,261.31	1,231.31
15	Reserves excluding Revaluation Reserves as at December 31, 2016				20,803.21
16.i	Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	0.48	1.07	0.77	3.26
(b)	Diluted	0.48	1.07	0.77	3.25
16.ii	Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	0.48	1.07	0.77	3.26
(b)	Diluted	0.48	1.07	0.77	3.25

See accompanying notes to the financial results.

Notes:

- 1 The results for the quarter ended March 31, 2017 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on May 04, 2017.
- 2 An audit has been completed by the Statutory Auditors for the quarter ended March 31, 2017, quarter ended March 31, 2016 and for the quarter and year ended December 31, 2016 (also refer note 6 below). There is no qualification in the Auditors' Report on these financial results.
- 3 'Exceptional items':
 - (a) On July 11, 2014, the Company had incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited (which was later converted into R Systems Products & Technologies Private Limited ("RSPTPL") on May 28, 2015). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 had accorded necessary approval for transfer of the Company's Indus Business Unit operated out of Pune and Chennai to RSPTPL. The Company had entered into 'Business Transfer Agreement' (BTA) with RSPTPL on June 27, 2015 for the aforesaid transfer on a going concern basis by way of slump sale, for consideration of Rs. 7,839.00 lakhs to be discharged by RSPTPL through issuance of 60,000,003 equity shares of Re. 1/- each at a premium of Rs. 6.227333 per share and 35,026 compulsorily redeemable debentures of Rs. 10,000 each to be redeemed over a period of 4 years, on the terms and conditions agreed in BTA and Debenture Subscription Agreement.
The Company had also entered into 'Share Purchase Agreement' (SPA) with BD Capital Partners Ltd. ("BDC"), a Mauritius based company on June 27, 2015 to sell 93% of its equity share in RSPTPL to BDC for a consideration of Rs. 4,431.70 lakhs (USD 7 million). The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015. The name of RSPTPL was changed to Indus Software Technologies Private Limited (ISPTPL) w.e.f August 19, 2015.
Subject to the satisfaction of certain conditions, BDC had also agreed to purchase the balance 7% equity shares for a consideration up to USD 1 million. During the quarter ended December 31, 2016, the Company had received the consideration for the sale of balance 7% share in ISPTPL. The gain on sale of aforesaid equity share amounting to Rs. 371.74 lakhs is disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016.
 - (b) The Company, during the quarter ended December 31, 2016, had realised additional amount of Rs. 91.73 lakhs towards the sale of Indus Business unit and disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016.
 - (c) The consequent tax expense of above 'Exceptional items' amounting to Rs. 148.01 lakhs for the quarter and year ended December 31, 2016, is included in the 'Current tax' in the financial results for the relevant period.
- 4 During the quarter ended March 31, 2017, the current tax includes Rs. 36.86 lakhs pertaining to earlier period.
- 5 The Company had issued Public Announcement dated September 15, 2016, for buy-back of equity shares of face value of Re. 1/- each from its existing shareholders as on the record date September 30, 2016 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, 1998 and the Companies Act, 2013 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 1,950 lakhs. Under the Buy-back offer, the Company had bought back 30 lakhs equity shares for an aggregate amount of Rs. 1,950 lakhs by utilising the Securities Premium Account to the extent of Rs. 1,920 lakhs and General Reserve to the extent of Rs. 30 lakhs. The Capital Redemption Reserve was created out of General Reserve for Rs. 30 lakhs being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The aforesaid buy-back was completed on November 29, 2016.
- 6 Figures for the quarter ended December 31, 2016 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.
- 7 Refer Annexure A for segment wise standalone revenue, results, assets and liabilities.
- 8 Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period / year presentation.

For and on behalf of the Board

Place : NOIDA
Date : May 04, 2017

Sd/-
Lt. Gen. Baldev Singh (Retd.)
[President & Senior Executive Director]
[DIN: 00006966]

R SYSTEMS INTERNATIONAL LIMITED
Segment Wise Standalone Revenue, Results , Assets and Liabilities

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Year Ended
		31.03.2017	31.12.2016	31.03.2016	31.12.2016
		(Audited)	(Audited) Refer Note 6	(Audited)	(Audited)
1	Segment revenue				
	- Information technology services	5,382.12	5,651.81	5,348.95	21,795.15
	- Business process outsourcing services	1,117.27	1,231.37	1,038.30	4,522.54
	Income from operations	6,499.39	6,883.18	6,387.25	26,317.69
2	Segment results before tax, interest and exceptional items				
	- Information technology services	1,030.36	1,194.00	1,422.05	5,163.58
	- Business process outsourcing services	(2.85)	120.70	114.87	488.43
	Total	1,027.51	1,314.70	1,536.92	5,652.01
	(i) Interest expense	(22.73)	(4.08)	(2.91)	(13.41)
	(ii) Interest income	124.50	192.45	119.60	565.72
	(iii) Other unallocable income	16.00	16.00	16.00	64.00
	(iv) Exceptional Items (refer note 3)	-	463.47	-	463.47
	(v) Other unallocable expenses	(151.72)	(143.37)	(151.42)	(594.25)
	Profit before tax	993.56	1,839.17	1,518.19	6,137.54
3	Capital employed				
a	Segment assets				
	- Information technology services	8,256.12	8,082.11	7,373.15	8,082.11
	- Business process outsourcing services	1,876.77	1,876.88	1,407.87	1,876.88
	- Inter segment assets elimination	(239.47)	(316.75)	(78.22)	(316.75)
	- Unallocated corporate assets	18,420.24	17,563.06	16,934.33	17,563.06
	Total segment assets (A)	28,313.66	27,205.30	25,637.13	27,205.30
b	Segment liabilities				
	- Information technology services	4,963.75	4,442.00	3,842.74	4,442.00
	- Business process outsourcing services	511.15	498.69	411.43	498.69
	- Inter segment liabilities elimination	(239.47)	(316.75)	(78.22)	(316.75)
	- Unallocated corporate liabilities	435.91	546.84	652.14	546.84
	Total segment liabilities (B)	5,671.34	5,170.78	4,828.09	5,170.78
	Capital employed (A- B)	22,642.32	22,034.52	20,809.04	22,034.52