

**R SYSTEMS INTERNATIONAL LIMITED**

CIN : L74899DL1993PLC053579

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

Statement of Consolidated Unaudited Results for the Quarter Ended March 31, 2015

| PART I |                                                                                                 | (Rs. in lakhs, except per share data) |                            |                  |                  |
|--------|-------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------|------------------|------------------|
| S.No.  | Particulars<br>(Refer notes)                                                                    | Three Months Ended                    |                            | Year Ended       |                  |
|        |                                                                                                 | 31.03.2015                            | 31.12.2014                 | 31.03.2014       | 31.12.2014       |
|        |                                                                                                 | (Unaudited)                           | (Audited)<br>Refer note 12 | (Unaudited)      | (Audited)        |
| 1      | Income from operations                                                                          |                                       |                            |                  |                  |
| (a)    | Income from operations                                                                          | 15,078.58                             | 10,304.82                  | 15,626.55        | 64,849.59        |
| (b)    | Other operating income                                                                          | 98.04                                 | 47.48                      | 338.71           | 487.05           |
|        | <b>Total income from operations</b>                                                             | <b>15,176.62</b>                      | <b>16,352.30</b>           | <b>15,965.26</b> | <b>65,336.64</b> |
| 2      | Expenses                                                                                        |                                       |                            |                  |                  |
| (a)    | Employee benefits expense                                                                       | 9,611.26                              | 9,753.47                   | 9,858.47         | 39,352.21        |
| (b)    | Depreciation and amortisation expense                                                           | 458.87                                | 286.11                     | 269.90           | 1,124.53         |
| (c)    | Traveling and conveyance                                                                        | 1,060.67                              | 926.88                     | 938.09           | 3,477.64         |
| (d)    | Communication costs                                                                             | 190.24                                | 211.15                     | 218.01           | 874.68           |
| (e)    | Legal and professional expenses (including subcontract expenses)                                | 1,503.46                              | 1,888.85                   | 1,617.99         | 7,227.17         |
| (f)    | Provision for doubtful debts and advances (net)                                                 | 29.25                                 |                            |                  |                  |
| (g)    | Other expenses (refer note 8)                                                                   | 1,104.63                              | 1,289.11                   | 1,155.62         | 4,870.57         |
|        | <b>Total expenses</b>                                                                           | <b>13,958.38</b>                      | <b>14,355.57</b>           | <b>14,058.08</b> | <b>56,926.80</b> |
| 3      | Profit from operations before other income, finance costs and exceptional items (1-2)           | 1,218.24                              | 1,996.73                   | 1,907.18         | 8,409.84         |
| 4      | Other income                                                                                    | 107.88                                | 125.30                     | 113.81           | 420.21           |
| 5      | Profit from ordinary activities before finance costs and exceptional items (3+4)                | 1,326.12                              | 2,122.03                   | 2,020.99         | 8,830.05         |
| 6      | Finance costs                                                                                   | 22.33                                 | 22.96                      | 20.64            | 89.10            |
| 7      | Profit from ordinary activities after finance costs but before exceptional items (5-6)          | 1,303.79                              | 2,099.07                   | 2,000.35         | 8,740.95         |
| 8      | Exceptional items (refer note 10 and 11)                                                        | -                                     | 2,240.25                   | -                | 2,501.10         |
| 9      | Profit from ordinary activities before tax (7+8)                                                | 1,303.79                              | 4,339.32                   | 2,000.35         | 11,242.05        |
| 10     | Tax expense                                                                                     |                                       |                            |                  |                  |
|        | Current tax                                                                                     | 598.61                                | 1,154.82                   | 406.23           | 3,252.89         |
|        | Deferred tax charge / (credit)                                                                  | (114.68)                              | 21.16                      | 157.80           | 175.78           |
|        | <b>Total tax expense</b>                                                                        | <b>483.93</b>                         | <b>1,175.98</b>            | <b>564.03</b>    | <b>3,428.67</b>  |
| 11     | Net profit from ordinary activities after tax (9-10)                                            | 819.86                                | 3,163.34                   | 1,436.32         | 7,813.38         |
| 12     | Extraordinary items (net of tax expense)                                                        | -                                     | -                          | -                | -                |
| 13     | Net profit for the period / year (11-12)                                                        | 819.86                                | 3,163.34                   | 1,436.32         | 7,813.38         |
| 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) | 819.86                                | 3,163.34                   | 1,436.32         | 7,813.38         |
| 17     | Paid - up equity share capital (Face value Re. 1/- each) (refer note 6)                         | 1,264.70                              | 1,267.20                   | 1,266.28         | 1,267.20         |
| 18     | Reserves excluding Revaluation Reserves as at December 31, 2014                                 | -                                     | -                          | -                | 20,043.32        |
| 19.i   | Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)     |                                       |                            |                  |                  |
| (a)    | Basic                                                                                           | 0.64                                  | 2.48                       | 1.13             | 6.14             |
| (b)    | Diluted                                                                                         | 0.64                                  | 2.48                       | 1.13             | 6.14             |
| 19.ii  | Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)      |                                       |                            |                  |                  |
| (a)    | Basic                                                                                           | 0.64                                  | 2.48                       | 1.13             | 6.14             |
| (b)    | Diluted                                                                                         | 0.64                                  | 2.48                       | 1.13             | 6.14             |

See accompanying notes to the financial results.

| PART II |                                                                                              |            |            |            |            |
|---------|----------------------------------------------------------------------------------------------|------------|------------|------------|------------|
| A       | PARTICULARS OF SHAREHOLDING (refer note 6)                                                   |            |            |            |            |
| 1       | Public Shareholding                                                                          |            |            |            |            |
|         | - Number of shares (Face value Re. 1/- each)                                                 | 62,748,839 | 62,998,174 | 63,006,905 | 62,998,174 |
|         | - Percentage of shareholding                                                                 | 49.33      | 49.43      | 49.47      | 49.43      |
| 2       | Promoters and Promoter Group Shareholding                                                    |            |            |            |            |
| (a)     | Pledged / encumbered                                                                         |            |            |            |            |
|         | - Number of shares (Face value Re. 1/- each)                                                 | Nil        | Nil        | Nil        | Nil        |
|         | - Percentage of shares (as a % of the total shareholding of the promoter and promoter group) | Nil        | Nil        | Nil        | Nil        |
|         | - Percentage of shares (as a % of the total share capital of the Company)                    | Nil        | Nil        | Nil        | Nil        |
| (b)     | Non-encumbered                                                                               |            |            |            |            |
|         | - Number of shares (Face value Re. 1/- each)                                                 | 64,460,406 | 64,460,406 | 64,360,275 | 64,460,406 |
|         | - Percentage of shares (as a % of the total shareholding of the promoter and promoter group) | 100.00     | 100.00     | 100.00     | 100.00     |
|         | - Percentage of shares (as a % of the total share capital of the Company)                    | 50.67      | 50.57      | 50.53      | 50.57      |

|   | Particulars                                    | Three Months Ended |
|---|------------------------------------------------|--------------------|
|   |                                                | 31.03.2015         |
| B | INVESTOR COMPLAINTS                            |                    |
|   | Pending at the beginning of the quarter        | Nil                |
|   | Received during the quarter                    | 5                  |
|   | Disposed off during the quarter                | 5                  |
|   | Remaining unresolved at the end of the quarter | Nil                |

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R. Balliboi & Associates LLP, Gurgaon

for Identification

For R SYSTEMS INTERNATIONAL LTD.

*[Signature]*  
Company Secretary

*[Signature]*

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**Notes:**

- 1 The results for the quarter ended March 31, 2015 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on April 23, 2015.
- 2 The Limited Review as required under clause 41 of Listing Agreement has been completed by the Statutory Auditor for the quarter ended March 31, 2015 and March 31, 2014 and audit for the quarter and year ended December 31, 2014 (also refer note 12 below). There is no qualification in the Auditors' Report on these financial results.
- 3 The Board of Directors at its meeting held on April 23, 2015 has declared interim dividend of Re. 0.40 per equity share of face value of Re. 1/- each, as per record date of May 04, 2015. The Shareholders' assent for interim dividend will be taken in the Annual General Meeting for the year 2015.
- 4 The Board of Directors at its meeting held on February 07, 2015 had recommended a final dividend of Re. 0.95/- per equity share of face value of Re. 1/- each. This was in addition to four interim dividends aggregating to Rs. 4.90 per equity share of face value of Re. 1/- each declared during the year ended December 31, 2014. The shareholder's assent for final and interim dividends will be taken in forthcoming Annual General Meeting.
- 5 As at January 01, 2015, the Company, based on technical assessment, reassessed the useful life of tangible assets and accordingly changed the useful lives of certain assets resulting in incremental charge of depreciation. Accordingly, the depreciation charge for the current quarter is higher by Rs. 102.18 lakhs and profit after tax for the current quarter is lower by Rs. 67.45 lakhs. Further, the Company has transferred Rs. 124.55 lakhs (net of tax) to reserves based on the transitional provision under Schedule II of the Companies Act, 2013.
- 6 The Company had issued Public Announcement dated December 29, 2014, for buy-back of equity shares of face value of Re. 1/- each from the open market at a price not exceeding Rs. 100 per share for an aggregate amount not exceeding Rs. 600 lakhs. Under the Buy-back offer, the Company has bought back 249,335 equity shares up to March 31, 2015 for an aggregate amount of Rs. 202.29 lakhs by utilising the Securities Premium Account to the extent of Rs. 199.80 lakhs and General Reserve to the extent of Rs. 2.49 lakhs. The Capital Redemption Reserve has been created out of General Reserve for Rs. 2.49 lakhs being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013.  
Subsequent to the quarter end, the Company has closed the buy-back offer with 678,155 equity shares (including 249,335 equity shares up to March 31, 2015) for an aggregate amount of Rs. 595.74 lakhs as approved by the Board of Directors of the Company at its meeting held on April 23, 2015.
- 7 The Board of Directors at its meeting held on April 23, 2015, has approved the acquisition of a Singapore based ERP company having operations mainly in South East Asia through wholly owned subsidiary namely R Systems (Singapore) Pte. Limited, for a maximum consideration of SGD 7.50 million including the earn-outs over the next three years on fulfillment of certain conditions. The above said approval is subject to execution of definitive agreements and receipt of necessary corporate and regulatory approval.
- 8 During the quarter ended March 31, 2015, the wholly owned subsidiary of the Company, R Systems Solutions, Inc. has received a notice of termination for convenience from its significant customer. Consequently, the Company, has recorded provision for certain committed costs aggregating to Rs. 84.01 lakhs under "Other expenses".
- 9 On July 11, 2014, the Company incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited ("RSPTL"). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 had accorded necessary approval for transfer of Indus IT Product and Service business operated out of Pune and Chennai centres to RSPTL to pursue opportunities for its further sale or disinvestment. The said transfer will be on a going concern basis by way of slump sale, for consideration of Rs. 7,839.00 lakhs to be discharged by RSPTL through issuance of equity / debenture / loan and / or any other securities, on the terms and conditions as may be agreed by the Board of Directors of the Company and RSPTL. Further, the aforesaid transfer to the subsidiary will not affect the consolidated financial results of the Company.
- 10 The Board of Directors at its meeting held on July 07, 2014 had approved the offer of buy-back from Computaris International Limited (a wholly owned subsidiary) of 13,500 shares held by the Company in the said subsidiary at the rate of GBP 111.38 per share amounting to GBP 1.50 million. The aforesaid buy-back proceeds were received by the Company on September 17, 2014. Even after this buy back, Computaris International Limited continues to remain wholly owned subsidiary of the Company. On account of this buy-back, the Company had released proportionate currency translation reserve amounting to Rs. 260.85 lakhs to the foreign exchange fluctuation which is disclosed as 'Exceptional Items' in the financial results for the year ended December 31, 2014.
- 11 On November 27, 2014, the Company had completed the transfer of Europe BPO Business by way of sale of its 100% holding in R Systems Europe B.V., Netherlands and R Systems S.A.S., France, being wholly owned subsidiaries, to Customer Contact Management Group B.V. ("CCMG") a Europe based company by executing the Share Sale Agreement along with other necessary documents for a sale consideration of Euro 4.70 million (Rs. 3,574.69 lakhs). Out of the sale consideration, Euro 0.35 million (Rs. 266.28 lakhs) had been placed in an escrow account in the Netherlands pursuant to the provision of the Share Sale Agreement. The profit on aforesaid transfer of subsidiaries amounting to Rs. 2,240.25 lakhs is disclosed as 'Exceptional Items' in the financial results for the quarter and year ended December 31, 2014.
- 12 Figures for the quarter ended December 31, 2014 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.
- 13 Refer Annexure A for segment wise consolidated revenue, results and capital employed.
- 14 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

  
Lt. Gen. Baldev Singh (Retd.)  
[President & Senior Executive Director]Place : New Delhi  
Date : April 23, 2015**CERTIFIED TRUE COPY**

For R SYSTEMS INTERNATIONAL LTD.

  
Company Secretary

Bhaskar &amp; Associates LLP, Gurugram

for Identification

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**R SYSTEMS INTERNATIONAL LIMITED**  
**Segment Wise Consolidated Revenue, Results and Capital Employed**

(Rs. in lakhs)

| S.No.    | Particulars                                    | Three Months Ended |                            |                  | Year Ended       |
|----------|------------------------------------------------|--------------------|----------------------------|------------------|------------------|
|          |                                                | 31.03.2015         | 31.12.2014                 | 31.03.2014       | 31.12.2014       |
|          |                                                | (Unaudited)        | (Audited)<br>Refer note 12 | (Unaudited)      | (Audited)        |
| <b>1</b> | <b>Segment revenue</b>                         |                    |                            |                  |                  |
|          | - Information technology services and products | 13,477.15          | 13,530.94                  | 12,620.56        | 52,985.91        |
|          | - Business process outsourcing services        | 1,645.23           | 2,818.22                   | 3,059.39         | 12,047.89        |
|          | <b>Total</b>                                   | <b>15,122.38</b>   | <b>16,349.16</b>           | <b>15,679.95</b> | <b>65,033.80</b> |
|          | Less: Elimination of intersegment sales        | 43.80              | 44.34                      | 53.40            | 184.21           |
|          | <b>Income from operations</b>                  | <b>15,078.58</b>   | <b>16,304.82</b>           | <b>15,626.55</b> | <b>64,849.59</b> |
| <b>2</b> | <b>Segment results before tax and interest</b> |                    |                            |                  |                  |
|          | - Information technology services and products | 1,454.81           | 1,701.08                   | 1,899.91         | 7,620.70         |
|          | - Business process outsourcing services        | (74.68)            | 474.49                     | 138.97           | 1,435.08         |
|          | <b>Total</b>                                   | <b>1,380.13</b>    | <b>2,175.57</b>            | <b>2,038.88</b>  | <b>9,055.78</b>  |
|          | (i) Interest expense                           | (2.23)             | (2.75)                     | (4.22)           | (11.75)          |
|          | (ii) Interest income                           | 107.88             | 125.30                     | 113.81           | 410.16           |
|          | (iii) Other unallocable income                 | -                  | -                          | -                | 10.05            |
|          | (iv) Exceptional Items (refer note 10 and 11)  | -                  | 2,240.25                   | -                | 2,501.10         |
|          | (v) Other unallocable expenses                 | (181.99)           | (199.05)                   | (148.12)         | (723.29)         |
|          | <b>Profit before tax</b>                       | <b>1,303.79</b>    | <b>4,339.32</b>            | <b>2,000.35</b>  | <b>11,242.05</b> |
| <b>3</b> | <b>Capital employed *</b>                      |                    |                            |                  |                  |
|          | - Information technology services and products | 10,962.38          | 12,387.56                  | 14,286.30        | 12,387.56        |
|          | - Business process outsourcing services        | 1,575.70           | 1,916.88                   | 823.24           | 1,916.88         |
|          | - Unallocated corporate                        | 8,076.45           | 7,006.08                   | 9,230.50         | 7,006.08         |
|          | <b>Total capital employed</b>                  | <b>20,614.53</b>   | <b>21,310.52</b>           | <b>24,340.04</b> | <b>21,310.52</b> |

\*The Company has re-classified the goodwill on consolidation and business acquisition as at March 31, 2014, aggregating to Rs 2,993.35 lakhs from information technology services and products to unallocated corporate to conform to the current period / year presentation

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*[Signature]*  
 Company Secretary

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