R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

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

Statement of Standalone Audited Results for the Quarter and Nine Months Ended September 30, 2015

PART I

(Rs. in lakhs, except per share data)

S.No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.12.2014
	(Refer notes)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from operations						
(a)	Income from operations	6,262.45	8,629.67	7,780.67	22,773.31	21,803.77	29,108.13
(b)	Other operating income	12.36	141.57	184.48	325.03	337.63	383.91
	Total income from operations	**6,274.81**	**8,771.24**	**7,965.15**	**23,098.34**	**22,141.40**	**29,492.04**
2	Expenses						
(a)	Employee benefits expense	3,749.27	4,886.45	4,470.45	13,502.64	13,146.72	17,814.32
(b)	Depreciation and amortisation expense (refer note 4)	186.79	234.31	173.44	776.85	497.86	672.40
(c)	Traveling and conveyance	507.69	814.90	636.18	1,950.42	1,765.32	2,362.97
(d)	Communication costs	145.23	156.26	134.28	440.03	406.89	556.57
(e)	Legal and professional expenses (including subcontract expenses)	170.16	264.54	168.29	660.65	424.54	625.78
(f)	Provision for doubtful debts and advances (net)	(3.00)	7.86	-	17.72	-	3.79
(g)	Other expenses	544.81	728.35	605.17	1,877.98	1,604.37	2,200.15
	Total expenses	**5,300.95**	**7,092.67**	**6,187.81**	**19,226.29**	**17,845.70**	**24,235.98**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**973.86**	**1,678.57**	**1,777.34**	**3,872.05**	**4,295.70**	**5,256.06**
4	Other income (refer note 8)	169.82	112.03	74.78	389.29	285.75	964.51
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**1,143.68**	**1,790.60**	**1,852.12**	**4,261.34**	**4,581.45**	**6,220.57**
6	Finance costs	8.99	9.86	15.49	26.48	30.65	42.87
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**1,134.69**	**1,780.74**	**1,836.63**	**4,234.86**	**4,550.80**	**6,177.70**
8	Exceptional items (refer note 5, 7 and 9)	5,644.35	-	1,524.44	5,644.35	1,524.44	3,931.31
9	**Profit from ordinary activities before tax (7+8)**	**6,779.04**	**1,780.74**	**3,361.07**	**9,879.21**	**6,075.24**	**10,109.01**
10	**Tax expense**						
	Current tax (refer note 5)	1,750.55	680.00	739.41	2,980.54	1,526.69	2,475.32
	Deferred tax charge / (credit)	143.52	(62.10)	(20.24)	(16.28)	126.35	130.80
	Total tax expense	**1,894.07**	**617.90**	**719.17**	**2,964.26**	**1,653.04**	**2,606.12**
11	**Net profit from ordinary activities after tax (9-10)**	**4,884.97**	**1,162.84**	**2,641.90**	**6,914.95**	**4,422.20**	**7,502.89**
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net profit for the period / year (11-12)**	**4,884.97**	**1,162.84**	**2,641.90**	**6,914.95**	**4,422.20**	**7,502.89**
14	Paid - up equity share capital (Face value Re. 1/- each) (refer note 6 and 10)	1,261.31	1,261.31	1,266.28	1,261.31	1,266.28	1,267.20
15	Reserves excluding Revaluation Reserves as at December 31, 2014						16,241.02
16.i	**Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)**						
	(a) Basic	3.85	0.92	2.07	5.44	3.48	5.90
	(b) Diluted	3.85	0.92	2.07	5.44	3.48	5.90
16.ii	**Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)**						
	(a) Basic	3.85	0.92	2.07	5.44	3.48	5.90
	(b) Diluted	3.85	0.92	2.07	5.44	3.48	5.90

See accompanying notes to the financial results.

PART II

A	**PARTICULARS OF SHAREHOLDING (refer note 6 and 10)**						
1	**Public Shareholding**						
	- Number of shares (Face value Re. 1/- each)	62,422,019	62,410,019	62,938,383	62,422,019	62,938,383	62,998,174
	- Percentage of shareholding	49.20	49.19	49.41	49.20	49.41	49.43
2	**Promoters and Promoter Group Shareholding**						
(a)	**Pledged / encumbered**						
	- Number of shares (Face value Re. 1/- each)	Nil	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	Nil
	- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
(b)	**Non-encumbered**						
	- Number of shares (Face value Re. 1/- each)	64,448,406	64,460,406	64,428,797	64,448,406	64,428,797	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	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	50.80	50.81	50.59	50.80	50.59	50.57

	Particulars	Three Months Ended
		30.09.2015
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed off during the quarter	1
	Remaining unresolved at the end of the quarter	Nil

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary

S.R. Batliboi & Associates LLP, Gurgaon

for Identification

For R SYSTEMS INTERNATIONAL LTD.

President & Chief Executive Officer

Notes:

1 The results for the quarter and nine months ended September 30, 2015 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 29, 2015.

2 An audit has been completed by the Statutory Auditors for the quarter and nine months ended September 30, 2015 and September 30, 2014, quarter ended June 30, 2015 and year ended December 31, 2014. 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 and August 05, 2015 had declared first interim dividend and second interim (special) dividend of Re. 0.40 and Re. 3.30 per equity share of face value of Re. 1/- each respectively. These dividends were paid to the shareholders on May 07, 2015 and August 19, 2015 respectively. Further, Board of Directors at its meeting held on October 29, 2015 has declared third interim dividend of Re. 0.25 per equity share, as per record date of November 06, 2015. The Shareholders' assent for all these interim dividends will be taken in the forthcoming Annual General Meeting.

4 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 quarter and nine months ended September 30, 2015 is higher by Rs. 77.69 lakhs and Rs. 256.58 lakhs respectively. The profit after tax for the quarter and nine month ended September 30, 2015 is lower by Rs. 50.81 lakhs and Rs. 168.42 lakhs respectively. Further, during the quarter ended March 31, 2015, the Company had transferred Rs. 124.55 lakhs (net of tax) to reserves based on the transitional provision under Schedule II of the Companies Act, 2013.

5 On July 11, 2014, the Company 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 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, on the terms and conditions agreed in BTA.

The Company 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). Subject to the satisfaction of certain conditions, BDC has also agreed to purchase the balance 7% equity shares for a consideration up to Rs. 655.90 lakhs (USD 1 million). The Company will continue to hold the compulsorily redeemable debentures having an aggregate face value of Rs. 3,502.60 lakhs in accordance with the terms of the BTA.

The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015.

The gain on sale of Indus Business Unit amounting to Rs. 5,357.13 lakhs (net of related expenses) and gain on sale of aforesaid equity share in RSPTPL amounting to Rs. 287.22 lakhs (net of related expenses) is disclosed as 'Exceptional Items' in the financial results for the quarter and period ended September 30, 2015. The income tax attributable to aforesaid gains amounting to Rs. 1,326.35 lakhs is included in the 'Current Tax' in the financial results for the quarter and period ended September 30, 2015. The name of RSPTPL has been changed to Indus Software Technologies Private Limited w.e.f August 19, 2015.

Accordingly, the aforesaid Indus Business Unit, being part of Information technology services and products segment, is considered as "Discontinuing Operations" till July 07, 2015. The revenue and expenses attributable to the said operations included in the financial results are as follows:

(Rs. in lakhs)

Particulars	For the period 01.07.15 to 07.07.15	Three Months Ended 30.06.2015	Three Months Ended 30.09.2014	For the period 01.01.15 to 07.07.15	Nine Months Ended 30.09.2014	Year Ended 31.12.2014
Total income	225.12	2,957.23	2,350.21	5,764.71	6,205.21	8,413.41
Total expenses	217.23	2,485.75	1,898.38	4,931.89	5,076.74	7,188.35
Profit before tax	**7.89**	**471.48**	**451.83**	**832.82**	**1,128.47**	**1,225.06**
Total tax expense	2.73	163.17	153.58	267.14	383.57	416.40
Profit after tax	**5.16**	**308.31**	**298.25**	**565.68**	**744.90**	**808.66**

The amount of assets and liabilities attributable to the said operations are as follows:

(Rs. in lakhs)

Particulars	As at 07.07.2015	As at 31.12.2014
Total assets	5,679.44	3,959.20
Total liabilities	3,253.72	1,922.43
Net assets	**2,425.72**	**2,036.77**

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 678,155 equity shares, having nominal value of Rs. 6.78 lakhs, for an aggregate amount of Rs. 595.74 lakhs by utilising the Securities Premium Account to the extent of Rs. 588.96 lakhs and General Reserve, through creation of Capital Redemption Reserve in terms of Section 68 of the Companies Act, 2013, to the extent of aforesaid nominal value. The Company has closed the buy-back offer pursuant to approval 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 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. The profit on the buy-back amounting to Rs. 777.99 lakhs is included in 'Exceptional Items' in the financial results for the year ended December 31, 2014.

8 During the year ended December 31, 2014, the Company had received Rs. 554.84 lakhs as dividend from R Systems Europe B.V., its wholly owned subsidiary in Netherlands. This dividend income is included in 'Other Income'.

9 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 Euros 4.70 million (Rs. 3,574.69 lakhs). Out of the sale consideration, Euro 0.35 million (Rs. 257.11 lakhs) had been placed in an escrow account in the Netherlands pursuant to the provision of the Share Sale Agreement. The profit on transfer amounting to Rs. 1,761.58 lakhs and Rs. 645.29 lakhs for R Systems Europe B.V., Netherlands and R Systems S.A.S., France respectively are disclosed as 'Exceptional Items' in the year ended December 31, 2014 in the financial results.

Also, during the year ended December 31, 2014, the Company had reversed the provision considered in earlier period towards diminution in the value of investment amounting to Rs. 420.52 lakhs and Rs. 325.93 lakhs for R Systems Europe B.V., Netherlands and R Systems S.A.S., France respectively. These reversals are included in 'Exceptional Items' in the financial results for the Year ended December 31, 2014.

10 During the nine months ended September 30, 2015 , the Company has issued 90,000 equity shares of Re. 1/- each at an exercise price of Rs. 12.07 per share, pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.

11 Refer Annexure A for segment wise standalone revenue, results and capital employed.

12 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 : NOIDA
Date : October 29, 2015

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For R SYSTEMS INTERNATIONAL LTD.
Company Secretary

S.R. Batliboi & Associates LLP, Gurgaon
for Identification

Annexure A

R SYSTEMS INTERNATIONAL LIMITED

Segment Wise Standalone Revenue, Results and Capital Employed

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.12.2014
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**Segment revenue**						
	- Information technology services and products	5,237.93	7,604.46	6,754.59	19,733.22	19,146.51	25,383.38
	- Business process outsourcing services	1,024.52	1,025.21	1,026.08	3,040.09	2,657.26	3,724.75
	Income from operations	**6,262.45**	**8,629.67**	**7,780.67**	**22,773.31**	**21,803.77**	**29,108.13**
2	**Segment results before tax, interest and exceptional items**						
	- Information technology services and products	962.74	1,698.03	1,670.64	3,921.51	4,315.89	5,117.66
	- Business process outsourcing services	146.66	128.06	239.10	390.70	393.40	662.40
	Total	**1,109.40**	**1,826.09**	**1,909.74**	**4,312.21**	**4,709.29**	**5,780.06**
	(i) Interest expense	(2.35)	(2.10)	(1.85)	(6.64)	(5.54)	(7.84)
	(ii) Interest income	155.03	94.28	74.78	356.75	275.70	399.62
	(iii) Dividend income (refer note 8)	-	-	-	-	-	554.84
	(iv) Other unallocable income	14.80	17.74	-	32.54	10.05	10.05
	(v) Exceptional Items (refer note 5, 7 and 9)	5,644.35	-	1,524.44	5,644.35	1,524.44	3,931.31
	(vi) Other unallocable expenses	(142.19)	(155.27)	(146.04)	(460.00)	(438.70)	(559.03)
	Profit before tax	**6,779.04**	**1,780.74**	**3,361.07**	**9,879.21**	**6,075.24**	**10,109.01**
3	**Capital employed ***						
	- Information technology services and products	3,911.70	6,519.44	7,132.21	3,911.70	7,132.21	6,156.25
	- Business process outsourcing services	(41.90)	(180.95)	(659.47)	(41.90)	(659.47)	(389.16)
	- Unallocated corporate	13,817.99	6,846.08	13,296.76	13,817.99	13,296.76	11,741.13
	Total capital employed	**17,687.79**	**13,184.57**	**19,769.50**	**17,687.79**	**19,769.50**	**17,508.22**

* The Company has re-classified the investments as at September 30, 2014 aggregating to Rs. 7,095.10 lakhs from information technology services and products and Rs. 880.62 lakhs from business process outsourcing services to unallocated corporate to conform to the current period / year presentation.

For R SYSTEMS INTERNATIONAL LTD.

President & Senior Executive Director

S.R. Batliboi & Associates LLP, Gurgaon

for Identification

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For R SYSTEMS INTERNATIONAL LTD.

Company Secretary