

R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307

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Regd. Off.: B-104A, Greater Kailash-1,
New Delhi - 110 048

REF: SECT/07/2018/29

JULY 27, 2018

To, The Managing Director National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol - RSYSTEMS	To, The General Manager BSE Limited Department of Corporate Services, Rotunda Building, 1st Floor, Mumbai Samachar Marg, Fort, Mumbai - 400 001 BSE Scrip Code - 532735
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Dear Sir,

SUB: CORPORATE DISCLOSURE UNDER SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR BUSINESS APPROVED AT THE BOARD MEETING

This is with reference to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and Uniform Listing Agreement entered into by R Systems International Limited (the “Company”). We wish to inform you as required in terms of Regulation 30, 33 and other applicable provisions of the Listing Regulations that the Board of Directors of R Systems International Limited at its meeting held at C-40, Sector-59, Noida (U.P.) - 201307 on July 27, 2018 commenced at 08:50 A.M. and concluded at 10:45 A.M. has inter alia approved the following:

1. Audited standalone financial results of the Company for the quarter and half year ended June 30, 2018.
2. Unaudited consolidated financial results of the Company for the quarter and half year ended June 30, 2018.

Please find enclosed herewith the following:

1. Audited standalone financial results for the quarter and half year ended June 30, 2018 in the format prescribed under Regulations 33 of Listing Regulations along with the report of the auditors thereon.
2. Unaudited consolidated financial results for the quarter and half year ended June 30, 2018 in the format prescribed under Regulations 33 of Listing Regulations along with the Limited Review Report of the auditors thereon.
3. Copy of the press release to be issued for declaration of the financial results for the quarter and half year June 30, 2018.



4. Extract of the financial results which will be published in the newspapers as per the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you.

Yours faithfully,

For R Systems International Limited



Bhasker Dubey
(Company Secretary & Compliance Officer)



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 Standalone Audited Financial Results for the Quarter and Half Year Ended June 30, 2018

(Rs. in million, except per share data)							
S.No.	Particulars (Refer notes)	Three Months Ended			Half Year Ended		Year Ended
		30.06.2018 (Audited)	31.03.2018 (Audited)	30.06.2017* (Audited)	30.06.2018 (Audited)	30.06.2017* (Audited)	31.12.2017* (Audited)
1	Revenue						
(a)	Revenue from operations	748.47	691.91	657.00	1,440.38	1,306.94	2,637.51
(b)	Other income	18.90	19.38	29.89	38.28	75.00	136.68
	Total revenue	767.37	711.29	686.89	1,478.66	1,381.94	2,774.19
2	Expenses						
(a)	Employee benefits expense	524.81	507.11	469.37	1,031.92	933.42	1,868.37
(b)	Finance costs	0.65	0.65	0.73	1.30	3.13	3.24
(c)	Depreciation and amortisation expense	18.10	18.08	18.44	36.18	35.90	73.74
(d)	Other expenses	186.54	126.17	150.03	312.71	264.80	482.48
	Total expenses	730.10	652.01	638.57	1,382.11	1,237.25	2,427.83
3	Profit before tax	37.27	59.28	48.32	96.55	144.69	346.36
4	Tax expense						
(a)	Current tax (refer note 4)	13.06	22.05	32.66	35.11	70.51	127.57
(b)	Deferred tax charge / (credit)	(14.11)	(10.08)	(14.97)	(24.19)	(14.31)	(13.16)
	Total tax expense	(1.05)	11.97	17.69	10.92	56.20	114.41
5	Net profit for the period / year	38.32	47.31	30.63	85.63	88.49	231.95
6	Other comprehensive income/(loss) <i>Items that will not be reclassified to profit or loss</i>						
(a)	Remeasurements of the defined benefit plans	4.82	(0.68)	(1.73)	4.14	1.35	12.29
(b)	Deferred tax relating to remeasurements of the defined benefit plans	(1.69)	0.24	0.60	(1.45)	(0.47)	(4.25)
	Total Other comprehensive income/(loss)	3.13	(0.44)	(1.13)	2.69	0.88	8.04
7	Total comprehensive income for the period / year (5+6)	41.45	46.87	29.50	88.32	89.37	239.99
8	Earnings per share (Face value of Re. 1/- each) (not annualised)						
(a)	Basic	0.31	0.38	0.25	0.69	0.72	1.88
(b)	Diluted	0.31	0.38	0.25	0.69	0.72	1.88

* refer note 2

See accompanying notes to the financial results



For R Systems International Limited

Aviraj Jain
Aviraj Jain
Director & Chief Technology Officer
Director Identification No.00004801

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For R Systems International Ltd.

Dubey
Company Secretary

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Notes:

- The financial results for the quarter and half year ended June 30, 2018 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 27, 2018.
- An audit has been completed by the Statutory Auditors for the quarter and half year ended June 30, 2018 and June 30, 2017, quarter ended March 31, 2018 and year ended December 31, 2017. There is no qualification in the Auditors' Report on these financial results. The comparative financial information of the Company for the transition date opening balance sheet as at January 01, 2017 were audited by erstwhile statutory auditor, M/s S. R. Batliboi & Associates LLP, Chartered Accountants.

Adjustments made to the previously issued comparative financial information to comply with Ind AS have been audited by the Statutory Auditors.

3 Transition to Indian Accounting standards (Ind AS):

Beginning January 01, 2018, the Company has for the first time adopted Indian Accounting Standards ('Ind AS') with a transition date of January 01, 2017. These financial results have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016. The adoption of Ind AS was carried out in accordance with Ind AS 101 which requires that all applicable Ind AS be applied consistently and retrospectively. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India (IGAAP), which was the previous GAAP. The resulting difference between the carrying amount of the assets and liabilities in the financial statements under both Ind AS and IGAAP as at the transition date has been recognized directly in equity at the transition date.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from IGAAP to Ind AS in accordance with Ind AS 101:

- equity as at January 01, 2017
- equity as at December 31, 2017
- total comprehensive income for the quarter and half year ended June 30, 2017
- total comprehensive income for the year ended December 31, 2017

(A) Equity reconciliation

Particulars	Notes	(Rs. In million)	
		As at January 01, 2017	As at December 31, 2017
Equity under IGAAP		2,203.45	2,445.89
(a) Effect of inclusion of Employees Welfare Trust	(i)	12.55	13.03
(b) Expected Credit Loss provision for trade receivables and other financial assets	(iv)	(0.06)	(0.09)
(c) Impact of fair valuation of investments in mutual funds	(ii)	-	1.31
(d) Impact of security deposits measured at amortised cost	(iii)	0.01	(0.13)
(e) Others (including deferred tax impact)	(vi)	0.02	(0.41)
Equity as per Ind AS		2,215.97	2,459.60

(B) Total comprehensive income reconciliation

Particulars	Notes	(Rs. In million)		
		Quarter ended June 30, 2017	Half year ended June 30, 2017	Year ended December 31, 2017
Net profit for the period / year under IGAAP		28.93	88.76	238.83
(a) Effect of inclusion of Employees Welfare Trust	(i)	0.13	0.23	0.48
(b) Impact of fair valuation of investments in mutual funds	(ii)	-	-	1.31
(c) Impact of security deposits measured at amortised cost	(iii)	(0.04)	(0.07)	(0.14)
(d) Expected Credit Loss provision for trade receivables and other financial assets	(iv)	0.06	0.02	(0.04)
(e) Actuarial gain on employee defined benefit plan recognised in Other Comprehensive Income	(v)	1.73	(1.35)	(12.29)
(f) Other adjustments		(0.02)	(0.02)	(0.03)
(g) Deferred tax impact on above adjustments	(vi)	(0.16)	0.92	3.83
Net Profit for the period / year under Ind AS		30.63	88.49	231.95
(h) Other comprehensive income (net of tax)	(v)	(1.13)	0.88	8.04
Total comprehensive income under Ind AS		29.50	89.37	239.99

(C) Explanation for reconciliation of total comprehensive income:

- Under Ind AS, the financial statement of R Systems Employee Welfare Trust (ESOP Trust) have been included in the standalone financial statements of the Company as the trust was created for the benefit of the employees and administered by the Company.
- Under IGAAP, investments in mutual funds were classified as current investments and were carried at lower of cost and fair value. Under the Ind AS, these investments are classified as at fair value through profit or loss (FVTPL) and measured at fair value. The resulting fair value changes have been recognised in the statement of profit and loss.
- Under IGAAP, security deposits (both assets and liabilities) were accounted for at their undiscounted nominal values. Under Ind AS, these have been accounted for at amortised cost method by discounting the cash flows using effective interest rates. Consequently, the impact of aforesaid amortisation has been accounted for in the statement of profit and loss.
- Under IGAAP, the entity determined provisions for impairment of trade receivables (provision for bad and doubtful debts) using incurred loss model. i.e. if they remained outstanding over the prescribed period. Under Ind AS, impairment allowance has been determined based on expected credit loss model (ECL) for trade receivables and other financial assets, which has resulted in additional provisions being accounted for in statement of profit and loss.
- Under IGAAP, actuarial gains and losses on defined benefit obligations and plan assets were recognised as employee benefits expense in the statement of profit and loss. Under Ind AS, such actuarial gains and losses are recognised under other comprehensive income. The related tax expense/income is also reclassified to other comprehensive income.
- The various transitional adjustments have led to temporary tax differences, which the Company has accounted for as deferred tax adjustments. Deferred tax adjustments are recognised in correlation to the underlying transaction as either in profit and loss or other comprehensive income.

- During the half year ended June 30, 2017 and year ended December 31, 2017, the current tax includes Rs. 3.69 million pertaining to earlier period.
 - During the quarter ended June 30, 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.
- During the quarter ended June 30, 2017 and year ended December 31, 2017, the Company had issued 82,500 equity shares of Re. 1/- each pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
- Refer Annexure A for the standalone balance sheet.
 - Refer Annexure B for segment information.
 - 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

Avirag Jain
Director & Chief Technology Officer
DIN: 00004801

Place : NOIDA
Date : July 27, 2018



For R Systems International Ltd

Company Secretary

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R SYSTEMS INTERNATIONAL LIMITED
Standalone Balance Sheet as at June 30, 2018

Annexure A

(Rs. in million)

	Particulars	As at June 30, 2018 (Audited)	As at December 31, 2017* (Audited)	As at January 01, 2017* (Audited)
	ASSETS			
A.	Non-current assets			
	(a) Property, plant and equipment	257.76	258.45	246.39
	(b) Capital work in progress	-	-	26.29
	(c) Investment property	24.05	24.78	26.26
	(d) Other Intangible assets	2.43	4.44	5.42
	(e) Financial assets			
	(i) Investment	1,082.94	1,029.80	1,100.64
	(ii) Other financial assets	58.17	58.06	64.39
	(f) Deferred tax assets (net)	75.33	52.58	43.68
	(g) Non-current tax assets	25.82	22.47	28.93
	(h) Other non-current assets	11.76	12.44	30.76
		1,538.26	1,463.02	1,572.76
B.	Current assets			
	(a) Financial assets			
	(i) Investments	279.89	136.88	87.57
	(ii) Trade receivables	555.10	569.19	500.78
	(iii) Cash and cash equivalents	151.44	343.56	392.69
	(iv) Other balances with banks	346.66	399.90	21.78
	(v) Other financial assets	62.00	88.07	99.18
	(b) Other current assets	123.64	75.46	58.43
		1,518.73	1,613.06	1,160.43
	Total assets (A+B)	3,056.99	3,076.08	2,733.19
	EQUITY AND LIABILITIES			
A.	Equity			
	(a) Equity share capital	123.25	123.21	123.13
	(b) Other equity	2,336.73	2,336.39	2,092.84
	Total equity (A)	2,459.98	2,459.60	2,215.97
	Liabilities			
B.	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14.78	15.85	19.15
	(ii) Other financial liabilities	2.53	2.23	9.59
	(b) Provisions	97.29	91.18	89.42
	(c) Other non-current liabilities	-	-	0.22
		114.60	109.26	118.38
C.	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	52.85	42.19	47.63
	(ii) Other financial liabilities	155.71	136.90	145.95
	(b) Provisions	116.14	122.41	120.64
	(c) Other current liabilities	157.71	205.72	84.62
		482.41	507.22	398.84
	Total liabilities (B+C)	597.01	616.48	517.22
	Total equity and liabilities (A+B+C)	3,056.99	3,076.08	2,733.19

* refer note 2



For R Systems International Limited

Avirag Jain
Director & Chief Technology Officer
Director Identification No.00004801

For R Systems International Ltd.

Bubey
Company Secretary

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R SYSTEMS INTERNATIONAL LIMITED							Annexure B
Standalone Segment Information							
							(Rs. in million)
S.No.	Particulars	Three Months Ended			Half Year Ended		Year Ended
		30.06.2018	31.03.2018	30.06.2017*	30.06.2018	30.06.2017*	31.12.2017*
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue						
	- Information technology services	571.79	549.05	543.64	1,120.84	1,081.85	2,153.28
	- Business process outsourcing services	176.68	142.86	113.36	319.54	225.09	484.23
	Revenue from operations	748.47	691.91	657.00	1,440.38	1,306.94	2,637.51
2	Segment results before tax, interest and exceptional items						
	- Information technology services	23.26	50.80	36.33	74.06	136.56	297.77
	- Business process outsourcing services	13.48	6.57	12.59	20.05	11.83	38.26
	Total	36.74	57.37	48.92	94.11	148.39	336.03
	(i) Finance costs	(0.65)	(0.65)	(0.73)	(1.30)	(3.13)	(3.24)
	(ii) Interest Income	14.95	16.41	13.09	31.36	25.85	60.44
	(iii) Other unallocable income	3.88	2.55	1.71	6.43	3.42	8.15
	(iv) Other unallocable expenses	(17.65)	(16.40)	(14.67)	(34.05)	(29.84)	(55.02)
	Profit before tax	37.27	59.28	48.32	96.55	144.69	346.36

* refer note 2

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.



For R Systems International Limited

Avirag Jain
 Avirag Jain
 Director & Chief Technology Officer
 Director Identification No.00004801

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For R Systems International Ltd.

Ruby
 Ruby
 Company Secretary

**INDEPENDENT AUDITOR'S REPORT
ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
R SYSTEMS INTERNATIONAL LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **R SYSTEMS INTERNATIONAL LIMITED** ("the Company"), for the quarter and six month period ended June 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Interim Condensed Standalone Financial Statement which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 for "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Interim Condensed Standalone Financial Statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

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For R Systems International Ltd.



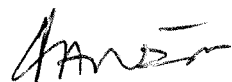
Company Secretary



- (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and six month period ended June 30, 2018.
4. The previously issued comparative financial information of the Company for the transition date opening balance sheet as at January 01, 2017 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued comparative financial information were audited by the predecessor auditor whose report for the year ended December 31, 2016 dated February 10, 2017 expressed an unmodified opinion on those comparative financial information. Adjustments made to the previously issued said comparative financial information to comply with Ind AS have been audited by us. Our report is not modified in respect of this matter.
5. The previously issued comparative financial information of the Company for the quarter and six month period ended June 30, 2017 and as at and for the year ended December 31, 2017 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued said comparative financial information to comply with Ind AS have been audited by us. Our report is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)





RASHIM TANDON

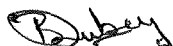
Partner

(Membership No. 095540)

Place: NOIDA
Date: July 27, 2018

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For R Systems International Ltd.



Company Secretary

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 Financial Results for the Quarter and Half Year Ended June 30, 2018

(Rs. in million, except per share data)							
S.No.	Particulars (Refer notes)	Three Months Ended			Half Year Ended		Year Ended
		30.06.2018 (Unaudited)	31.03.2018 (Unaudited)	30.06.2017* (Unaudited)	30.06.2018 (Unaudited)	30.06.2017* (Unaudited)	31.12.2017* (Audited)
1	Revenue						
(a)	Revenue from operations	1,688.37	1,522.03	1,479.24	3,210.40	2,922.22	5,926.36
(b)	Other income	23.51	23.23	39.59	46.74	94.11	161.79
	Total revenue	1,711.88	1,545.26	1,518.83	3,257.14	3,016.33	6,088.15
2	Expenses						
(a)	Employee benefits expense	1,124.38	1,115.23	1,034.87	2,239.61	2,047.48	4,173.15
(b)	Finance costs	0.63	0.72	0.76	1.35	3.19	3.57
(c)	Depreciation and amortisation expense	33.60	32.90	34.11	66.50	66.33	134.80
(d)	Other expenses	457.46	341.34	386.79	798.80	744.87	1,419.31
	Total expenses	1,616.07	1,490.19	1,456.53	3,106.26	2,861.87	5,730.83
3	Profit before tax	95.81	55.07	62.30	150.88	154.46	357.32
4	Tax expense						
(a)	Current tax (refer note 4)	17.76	24.79	28.85	42.55	74.87	144.05
(b)	Deferred tax charge / (credit)	(11.38)	(8.23)	(17.60)	(19.61)	(18.38)	(15.95)
	Total tax expense	6.38	16.56	11.25	22.94	56.49	128.10
5	Net profit for the period / year	89.43	38.51	51.05	127.94	97.97	229.22
6	Other comprehensive income/(loss)						
	<i>Items that will not be reclassified to profit or loss</i>						
(a)	Remeasurements of the defined benefit plans	4.82	(0.68)	(1.73)	4.14	1.34	12.29
(b)	Deferred tax relating to remeasurements of the defined benefit plans	(1.69)	0.24	0.60	(1.45)	(0.46)	(4.25)
	<i>Items that will be reclassified to profit or loss</i>						
(a)	Foreign Currency Translation reserve	28.66	39.36	20.06	68.02	(20.76)	(14.44)
	Total Other comprehensive income/(loss)	31.79	38.92	18.93	70.71	(19.88)	(6.40)
7	Total comprehensive income for the period / year (5+6)	121.22	77.43	69.98	198.65	78.09	222.82
8	Profit attributable to						
	Equity shareholders to the company	89.43	38.51	51.05	127.94	97.97	229.22
	Non controlling interest	-	-	-	-	-	-
	Total comprehensive income attributable to	89.43	38.51	51.05	127.94	97.97	229.22
9	Total comprehensive income attributable to						
	Equity shareholders to the company	121.22	77.43	69.98	198.65	78.09	222.82
	Non controlling interest	-	-	-	-	-	-
	Total comprehensive income attributable to	121.22	77.43	69.98	198.65	78.09	222.82
10	Earnings per share						
	(Face value of Re. 1/- each) (not annualised)						
(a)	Basic	0.73	0.31	0.41	1.04	0.80	1.86
(b)	Diluted	0.73	0.31	0.41	1.04	0.80	1.86

* refer note 2

See accompanying notes to the financial results



For R Systems International Limited

Avirag Jain
Avirag Jain
 Director & Chief Technology Officer
 Director Identification No.00004801

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For R Systems International Ltd.

Dubey
 Company Secretary

Notes:

- The financial results for the quarter and half year ended June 30, 2018 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 27, 2018.
- 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 half year ended June 30, 2018 and June 30, 2017, quarter ended March 31, 2018 and audit for the year ended December 31, 2017. There is no qualification in the Auditors' Report on these financial results. The comparative financial information of the Company for the transition date opening balance sheet as at January 01, 2017 were audited by erstwhile statutory auditor, M/s S.R. Batliboi & Associates LLP, Chartered Accountants.

Adjustments made to the previously issued comparative financial information to comply with Ind AS have been reviewed by the Statutory Auditors.

3 Transition to Indian Accounting standards (Ind AS):

Beginning January 01, 2018, the Company has for the first time adopted Indian Accounting Standards ('Ind AS') with a transition date of January 01, 2017. These financial results have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016. The adoption of Ind AS was carried out in accordance with Ind AS 101 which requires that all applicable Ind AS be applied consistently and retrospectively. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India (IGAAP), which was the previous GAAP. The resulting difference between the carrying amount of the assets and liabilities in the financial statements under both Ind AS and IGAAP as at the transition date has been recognized directly in equity at the transition date.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from IGAAP to Ind AS in accordance with Ind AS 101:

- equity as at January 01, 2017
- equity as at December 31, 2017
- total comprehensive income for the quarter and half year ended June 30, 2017
- total comprehensive income for the year ended December 31, 2017

(A) Equity reconciliation

Particulars	Notes	(Rs. In million)	
		As at January 01, 2017	As at December 31, 2017
Equity under IGAAP		2,779.73	3,033.13
(a) Effect of inclusion of Employees Welfare Trust	(i)	12.55	13.03
(b) Expected Credit Loss provision for trade receivables and other financial assets	(iv)	(0.44)	(0.43)
(c) Impact of fair valuation of Investments in mutual funds	(ii)	-	1.31
(d) Impact of security deposits measured at amortised cost	(iii)	0.01	(0.13)
(e) Impact of reinstatement of Business combination as per Ind AS 103	(vi) & (vii)	(319.58)	(347.77)
(f) Others (Including deferred tax impact)	(viii)	0.02	(0.41)
Equity as per Ind AS		2,472.29	2,698.74

(B) Total comprehensive income reconciliation

Particulars	Notes	(Rs. In million)		
		Quarter ended June 30, 2017	Half year ended June 30, 2017	Year ended December 31, 2017
Net Profit for the period / year under IGAAP		46.63	99.26	244.81
(a) Effect of inclusion of Employees Welfare Trust	(i)	0.13	0.23	0.48
(b) Impact of fair valuation of investments in mutual funds	(ii)	-	-	1.31
(c) Impact of security deposits measured at amortised cost	(iii)	(0.04)	(0.07)	(0.14)
(d) Expected Credit Loss provision for trade receivables and other financial assets	(iv)	0.17	0.19	0.02
(e) Actuarial gain on employee defined benefit plan recognised in Other Comprehensive Income	(v)	1.73	(1.34)	(12.29)
(f) Impact of amortization of intangible recognised on business combination	(vi)	(3.72)	(7.51)	(15.13)
(g) Impact of change in liability towards contingent consideration	(vii)	6.32	6.31	6.36
(i) Other adjustments		(0.01)	(0.02)	(0.03)
(j) Deferred tax impact on above adjustments	(viii)	(0.16)	0.92	3.83
Net Profit for the period / year under Ind AS		51.05	97.97	229.22
(h) Other comprehensive income (net of tax)		18.93	(19.88)	(6.40)
Total comprehensive income under Ind AS		69.98	78.09	222.82

(C) Explanation for reconciliation of total comprehensive income:

- Under Ind AS, the financial statement of R Systems Employee Welfare Trust (ESOP Trust) have been included in the standalone financial statements of the Company as the trust was created for the benefit of the employees and administered by the Company.
- Under IGAAP, investments in mutual funds were classified as current investments and were carried at lower of cost and fair value. Under the Ind AS, these investments are classified as at fair value through profit or loss (FVTPL) and measured at fair value. The resulting fair value changes have been recognised in the statement of profit and loss.
- Under IGAAP, security deposits (both assets and liabilities) were accounted for at their undiscounted nominal values. Under Ind AS, these have been accounted for at amortised cost method by discounting the cash flows using effective interest rates. Consequently, the impact of aforesaid amortisation has been accounted for in the statement of profit and loss.
- Under IGAAP, the entity determined provisions for impairment of trade receivables (provision for bad and doubtful debts) using incurred loss model. i.e. if they remained outstanding over the prescribed period. Under Ind AS, impairment allowance has been determined based on expected credit loss model (ECL) for trade receivables and other financial assets, which has resulted in additional provisions being accounted for in statement of profit and loss.
- Under IGAAP, actuarial gains and losses on defined benefit obligations and plan assets were recognised as employee benefits expense in the statement of profit and loss. Under Ind AS, such actuarial gains and losses are recognised under other comprehensive income. The related tax expense/income is also reclassified to other comprehensive income.
- Under IGAAP, in case of business combinations, the difference between the net consideration and the value of net assets acquired was recognised as goodwill/capital reserve on consolidation. Under Ind AS, any intangible assets identified in a business combination is also required to be recognised at their respective fair values separately from goodwill arising out of business combination. Such separately identified intangible assets having finite life are amortised over their useful life. The impact of such amortization has been accounted for in statement of profit and loss.
- Under IGAAP, in case of business combinations, a liability towards contingent consideration was recognised in the financial statements at undiscounted nominal value. Any subsequent change in such liability was adjusted in goodwill / capital reserve on consolidation. Under Ind AS, the liability towards contingent consideration are recorded at discounted values of expected cash outflows. Any changes in the fair value of such liability is accounted for in the Statement of Profit and Loss.
- The various transitional adjustments have led to temporary tax differences, which the Company has accounted for as deferred tax adjustments. Deferred tax adjustments are recognised in correlation to the underlying transaction as either in profit and loss or other comprehensive income.

- During the half year ended June 30, 2017 and year ended December 31, 2017, the current tax includes Rs. 3.69 million pertaining to earlier period.
- During the quarter ended June 30, 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.

During the quarter ended June 30, 2017 and year ended December 31, 2017, the Company had issued 82,500 equity shares of Re. 1/- each pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.

- Refer Annexure A for the consolidated balance sheet.
- Refer Annexure B for consolidated segment information.
- 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

Avirag Jain
Director & Chief Technology Officer
DIN: 00004801

Place : NOIDA
Date : July 27, 2018



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For R Systems International Ltd.

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Company Secretary

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R SYSTEMS INTERNATIONAL LIMITED
Consolidated Balance Sheet as at June 30, 2018

Annexure A

(Rs. in million)

	Particulars	As at June 30, 2018 (Unaudited)	As at December 31, 2017 * (Audited)	As at January 01, 2017 * (Audited)
	ASSETS			
A.	Non-current assets			
	(a) Property, plant and equipment	309.08	300.38	289.52
	(b) Capital work in progress	0.62	0.59	26.29
	(c) Investment property	24.05	24.78	26.26
	(d) Goodwill	88.19	84.05	82.35
	(e) Other Intangible assets	41.99	52.82	82.40
	(f) Financial assets			
	(i) Investment	87.57	87.57	175.15
	(ii) Other financial assets	78.06	84.79	83.96
	(g) Deferred tax assets (net)	76.61	58.51	46.15
	(h) Non-current tax assets	40.80	34.11	34.80
	(i) Other non-current assets	27.62	12.56	31.11
		774.59	740.16	877.99
B.	Current assets			
	(a) Financial assets			
	(i) Investments	279.89	136.88	87.57
	(ii) Trade receivables	1,219.85	1,207.64	1,081.78
	(iii) Cash and cash equivalents	823.38	923.90	1,133.85
	(iv) Other balances with banks	531.74	589.86	21.78
	(v) Other financial assets	202.46	186.35	205.15
	(b) Other current assets	178.00	119.77	114.17
		3,235.32	3,164.40	2,644.30
	Total assets (A+B)	4,009.91	3,904.56	3,522.29
	EQUITY AND LIABILITIES			
A.	Equity			
	(a) Equity share capital	123.25	123.21	123.13
	(b) Other equity	2,686.20	2,575.53	2,349.16
	(C) Non Controlling Interest	-	-	-
	Total equity (A)	2,809.45	2,698.74	2,472.29
	Liabilities			
B.	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14.78	15.85	19.15
	(ii) Other financial liabilities	2.53	2.23	53.59
	(b) Deferred tax liabilities (net)	-	0.26	-
	(c) Provisions	97.29	91.18	89.42
	(d) Other non-current liabilities	0.01	0.29	0.80
		114.61	109.81	162.96
C.	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	315.35	338.92	296.75
	(ii) Other financial liabilities	226.54	185.25	183.97
	(b) Provisions	198.41	186.97	175.07
	(c) Other current liabilities	345.55	384.87	231.25
		1,085.85	1,096.01	887.04
	Total liabilities (B+C)	1,200.46	1,205.82	1,050.00
	Total equity and liabilities (A+B+C)	4,009.91	3,904.56	3,522.29

* refer note 2



For R Systems International Limited


Avirag Jain
 Director & Chief Technology Officer
 * Director Identification No.00004801

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For R Systems International Ltd.


 Company Secretary

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R SYSTEMS INTERNATIONAL LIMITED
Consolidated Segment Information

Annexure B

S.No.	Particulars	Three Months Ended			Half Year Ended		(Rs. in million)
		30.06.2018	31.03.2018	30.06.2017*	30.06.2018	30.06.2017*	Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.12.2017* (Audited)
1	Segment revenue						
	- Information technology services	1,517.39	1,384.65	1,370.43	2,902.04	2,706.37	5,461.68
	- Business process outsourcing services	176.68	142.86	113.36	319.54	225.09	484.23
	Total	1,694.07	1,527.51	1,483.79	3,221.58	2,931.46	5,945.91
	Less: Elimination of intersegment sales	5.70	5.48	4.55	11.18	9.24	19.55
	Revenue from operations	1,688.37	1,522.03	1,479.24	3,210.40	2,922.22	5,926.36
2	Segment results before tax, interest and exceptional items						
	- Information technology services	82.64	48.51	52.64	131.15	151.02	321.08
	- Business process outsourcing services	13.48	6.57	12.59	20.05	11.83	38.26
	Total	96.12	55.08	65.23	151.20	162.85	359.34
	(i) Finance costs	(0.63)	(0.72)	(0.76)	(1.35)	(3.19)	(3.57)
	(ii) Interest income	16.35	17.54	13.15	33.89	25.97	61.02
	(iii) Other unallocable income	3.88	2.56	1.71	6.44	3.42	8.15
	(iv) Other unallocable expenses	(19.91)	(19.39)	(17.03)	(39.30)	(34.59)	(67.62)
	Profit before tax	95.81	55.07	62.30	150.88	154.46	357.32

* refer note 2

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.

For R Systems International Limited

Avirag Jain
Avirag Jain
Director & Chief Technology Officer
Director Identification No.00004801



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For R Systems International Ltd.

B. Dubey
Company Secretary

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF R SYSTEMS INTERNATIONAL LIMITED

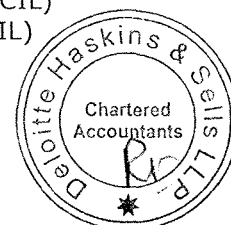
1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **R SYSTEMS INTERNATIONAL LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and six month period ended June 30, 2018 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 for "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:
- a. R Systems International Limited (the Holding Company)
 - b. R Systems, Inc. (wholly owned subsidiary of the Holding Company)
 - c. R Systems Technologies Limited (wholly owned subsidiary of the Holding Company)
 - d. RSYS Technologies Ltd. (wholly owned subsidiary of the Holding Company)
 - e. Computaris International Limited ("CIL") (wholly owned subsidiary of the Holding Company) and results of its subsidiaries :
 - i. ICS Computaris International Srl (wholly owned subsidiary of CIL)
 - ii. Computaris Malaysia Sdn. Bhd. (wholly owned subsidiary of CIL)
 - iii. Computaris Polska sp z o.o. (wholly owned subsidiary of CIL)
 - iv. Computaris Romania SRL (wholly owned subsidiary of CIL)
 - v. Computaris USA, Inc. (wholly owned subsidiary of CIL)

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For R Systems International Ltd.



**Deloitte
Haskins & Sells LLP**

- vi. Computaris Philippines Pte. Ltd. Inc. (wholly owned subsidiary of CIL)
- vii. Computaris Suisse Sarl (wholly owned subsidiary of CIL)

f. R Systems (Singapore) Pte Limited ("RSS") (wholly owned subsidiary of the Holding Company) and results of its subsidiaries :

i. IBIZ Consulting Pte. Ltd. ("IBIZCS") (formerly known as IBIZCS Group Pte Limited) (wholly owned subsidiary of RSS) and results of its subsidiaries :

- IBIZ Consulting Services Pte Ltd (wholly owned subsidiary of IBIZCS)
- IBIZ Consulting Services Sdn. Bhd. (wholly owned subsidiary of IBIZCS)
- PT. IBIZCS Indonesia (wholly owned subsidiary of IBIZCS)
- IBIZ Consulting Services India Private Limited (wholly owned subsidiary of IBIZCS)
- IBIZ Consulting Services Limited ("IBIZ HK") (wholly owned subsidiary of IBIZCS) and results of its subsidiary :
 - IBIZ Consulting Services Shanghai Co., Ltd (wholly owned subsidiary of IBIZ HK)

g. ECnet Limited ("ECNET") (subsidiary of the Holding Company) and results of its subsidiaries:

- i. ECnet (M) Sdn. Bhd. (wholly owned subsidiary of ECNET)
- ii. ECnet, Inc. (wholly owned subsidiary of ECNET)
- iii. ECnet (Hong Kong) Ltd. (wholly owned subsidiary of ECNET)
- iv. ECnet Systems (Thailand) Co. Ltd. (wholly owned subsidiary of ECNET)
- v. ECnet Kabushiki Kaisha (wholly owned subsidiary of ECNET)
- vi. ECnet (Shanghai) Co. Ltd. (wholly owned subsidiary of ECNET)

4. Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We did not review the interim financial information of 23 out of 26 subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 630.03 Million and Rs. 1,185.62 Million for the quarter and six month period ended June 30, 2018, total profit after tax of Rs. 28.22 Million and Rs. 18.09 Million for the quarter and six month period ended June 30, 2018 and total comprehensive income of Rs. 32.17 Million and Rs. 59.70 Million for the quarter and six month period ended June 30, 2018 as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Holding Company's Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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For R Systems International Ltd.

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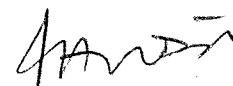
Company Secretary



6. The interim financial results of 25 subsidiaries have been prepared under accounting principles generally accepted in their respective countries. The Holding Company's Management has converted the financial information of these subsidiaries, from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We reviewed the adjustments that were applied to prepare the unaudited consolidated financial results for the quarter and six month period ended June 30, 2018 made by the Holding Company's Management to convert the financials information of these subsidiaries, from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our report is not modified in respect of this matter.
7. The previously issued comparative financial information of the Group for the transition date opening balance sheet as at January 01, 2017 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued comparative financial information were audited by the predecessor auditor whose report for the year ended December 31, 2016 dated February 10, 2017 expressed an unmodified opinion on those comparative financial information. Adjustments made to the previously issued said comparative financial information to comply with Ind AS have been reviewed by us. Our report is not modified in respect of this matter.
8. The previously issued comparative financial information of the Group for the quarter and six month period ended June 30, 2017 and as at and for the year ended December 31, 2017 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued said comparative financial information to comply with Ind AS have been reviewed by us. Our report is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)





RASHIM TANDON

Partner

(Membership No. 095540)

Place : NOIDA
Date : July 27, 2018

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For R Systems International Ltd.



Company Secretary

Press Release Q2 2018



ACCELERATING
DIGITAL
TRANSFORMATION

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For R Systems International Ltd.

A handwritten signature in dark ink, appearing to read 'R. Adams', is written over a horizontal line.

Company Secretary

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R Systems Announces Results for Q2 2018

Q2 2018: Revenue: Rs. 168.8 Crores with EBITDA: Rs. 12 Crores

14% YoY Revenue Growth

Added 80 plus Technical Associates during the Quarter

Noida, India – July 27, 2018

Highlights

Consolidated results for the quarter ended June 30, 2018

- Consolidated revenue from operations for Q2 2018 was Rs. 168.84 crores (US\$ 25.28 mn) compared to Rs. 147.92 crores (US\$ 22.91 mn) in Q2 2017 and Rs. 152.20 crores (US\$ 23.64 mn) in Q1 2018. YoY increase 14.14% (10.34% in US\$).
- EBITDA for Q2 2018 was Rs. 12.03 crores (US\$ 1.81 mn) compared to Rs. 5.91 crores (US\$ 0.92 mn) in Q2 2017 and Rs. 6.89 crores (US\$ 1.07 mn) in Q1 2018. Q2 2018 EBITDA as % of revenue was 7.12% as against 4.00% of Q2 2017.
- Net profit after taxes for Q2 2018 was Rs. 8.94 crores (US\$ 1.35 mn) compared to Rs. 5.10 crores (US\$ 0.80 mn) in Q2 2017 and Rs. 3.85 crores (US\$ 0.60 mn) in Q1, 2018.

Others

- 8 key wins during the quarter.
- Technical associates as on June 30, 2018 were 2,233 compared to 2,147 at the end of March 31, 2018.

Rekhi Singh, Managing Director stated “We concluded the quarter with revenue of Rs. 169 crores and EBITDA of Rs. 12 crores. Quarterly revenue grew 14 % year on year with growth across all business units, good client additions and enhanced focus on digital offerings as supported by rupee depreciation. The margins have improved compared to previous quarters but we see further scope for improvement through discipline in execution and continued growth momentum.”

He added, “Our balance sheet continues to be strong with cash and bank balance of Rs. 160 crores and net worth of Rs. 281 crores.”

Avirag Jain, Director and CTO said “We had a robust revenue growth during this quarter backed by new customer additions. We are partnering with leading enterprises and niche technology start-ups to fuel their growth engine with our digital capabilities.” He added, “We continue to invest in research and innovation and strengthening our digital offerings with cloud, analytics, mobility, IoT etc.”

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For R Systems International Ltd.

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Company Secretary

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Key Operational Highlights

Established in 1993, R Systems is a leading global provider of IT and ITeS solutions and services. As a trusted digital transformation partner, we help organizations to embrace digitalization towards greater efficiency and streamlined operations through our diversified offerings.

Product engineering continues to be an integral part of R Systems DNA. R Systems continuously endeavours to enhance customer experience right from the idea creation, product development, and product maintenance & support through integrated product lifecycle management (iPLM) services. The iPLM engagements are backed with strong engineering capabilities, facilitating the shift from a mere functional perspective to a holistic business process perspective of entire product life cycle. We partner with ISVs and businesses to create futuristic products using next-gen technologies.

R Systems leverage comprehensive range of ITeS services under the umbrella of Knowledge Services to a wide spectrum of clients for improving their organizational efficiencies. These services include speech analytics, revenue and claims management, customer care, and technical support. These services are delivered in multiple languages through our global delivery model.

ECnet® addresses supply chain, warehousing and inventory management. ECnet also operates as Infor Gold-certified channel partner for reselling and implementing several enterprise solutions, including enterprise resource planning, warehouse management, corporate performance management, business intelligence etc. ECnet has also partnered with JDA to offer category management solution suite to retail customers. Headquartered in Singapore, ECnet's footprint spread across Malaysia, Thailand, China and Japan.

IBIZ is Microsoft Gold-certified partner and is specialized in deploying Microsoft business management solution suites, including enterprise resource planning, customer relationship management, point of sales, mobility, business intelligence and portals. IBIZ operates across Singapore, Malaysia, China, Indonesia, Hong Kong and India.

Our services and solutions span over seven major business verticals i.e. Telecom, Media & Entertainment, Retail & E-commerce, Banking & Finance, Manufacturing & Logistics, Technology, and Healthcare & Life Sciences. Further, R Systems have also expanded its capabilities horizontally with Analytics, Mobility, IoT, Artificial Intelligence, Robotic Process Automation and Cloud across business verticals.

The quarter concluded with 8 key wins. The brief of few wins is listed below:

An IT solution provider transforming unstructured organizational content into actionable intelligence has collaborated with R Systems for digital enhancement of its product using latest technologies.

One of the leading banks in Caribbean region offering wide range of financial services has engaged R Systems to re-engineer and digitally transform their existing financial software systems and core banking services.

A leading networking and telecommunications ISV and our existing customer has mandated Computaris to implement a bundle of new projects for a leading telecom operator in USA to redesign and transform its core business applications as part of their digital strategy.

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For R Systems International Ltd.


Company Secretary

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One of the Leaders in telecom and digital TV technologies in ASEAN region providing communication solutions for public and private sectors has engaged ECnet to implement Infor Syteline ERP to integrate its various business processes to deliver financial insights and operational excellence.

A Singapore based farm-to-table restaurant and organic fresh product retailer has engaged IBIZ to implement Microsoft Dynamics ERP, LS Retail, CRM and Mobile based Warehouse Management solution to streamline and automate its operations.

Liquidity and Shareholder Funds

Cash and bank balances, including bank deposits and liquid funds as at June 30, 2018, were Rs. 160.04 crores compared to Rs. 162.16 crores as at December 31, 2017. Total shareholder funds as at June 30, 2018 were Rs. 280.94 crores compared to Rs. 269.87 crores as at December 31, 2017.

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For R Systems International Ltd.

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Company Secretary

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**Financial Performance****Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended June 30, 2018**
(As per Indian GAAP)

(Figures in mn, except per share data)

Sr. No.	Particulars	Quarter Ended June 30,		Quarter Ended March 31, 2018
		2018	2017	
1	Revenue			
(a)	Revenue from operations	1,688.37	1,479.24	1,522.03
(b)	Other income	23.51	39.59	23.23
	Total revenue	1,711.88	1,518.83	1,545.26
2	Expenses			
(a)	Employee benefits expense	1,124.38	1,034.87	1,115.23
(b)	Finance costs	0.63	0.76	0.72
(c)	Depreciation and amortisation expense	33.60	34.11	32.90
(d)	Other expenses	457.46	386.79	341.34
	Total expenses	1,616.07	1,456.53	1,490.19
3	Profit before tax	95.81	62.30	55.07
4	Tax expense			
(a)	Current tax	17.76	28.85	24.79
(b)	Deferred tax credit	(11.38)	(17.60)	(8.23)
	Total tax expense	6.38	11.25	16.56
5	Net profit for the period	89.43	51.05	38.51
6	Earnings per share (Face value of Re. 1/- each)			
(a)	Basic	0.73	0.41	0.31
(b)	Diluted	0.73	0.41	0.31

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For R Systems International Ltd.

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 Company Secretary

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**Financial Performance****Consolidated Profit & Loss Statement (Un-audited) for the Six Months Ended June 30, 2018****(As per Indian GAAP)**

(Figures in mn, except per share data)

Sr. No.	Particulars	Six Month Ended June 30	
		2018	2017
1	Revenue		
(a)	Revenue from operations	3,210.40	2,922.22
(b)	Other income	46.74	94.11
	Total revenue	3,257.14	3,016.33
2	Expenses		
(a)	Employee benefits expense	2,239.61	2,047.48
(b)	Finance costs	1.35	3.19
(c)	Depreciation and amortisation expense	66.50	66.33
(d)	Other expenses	798.80	744.87
	Total expenses	3,106.26	2,861.87
3	Profit before tax	150.88	154.46
4	Tax expense		
(a)	Current tax	42.55	74.87
(b)	Deferred tax credit	(19.61)	(18.38)
	Total tax expense	22.94	56.49
5	Net profit for the period	127.94	97.97
6	Earnings per share (Face value of Re. 1/- each)		
(a)	Basic	1.04	0.80
(b)	Diluted	1.04	0.80

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For R Systems International Ltd.

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Company Secretary

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**Financial Performance****Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended June 30, 2018**
(Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn)

Particulars	Q2 2018		Q2 2017		Q1 2018	
	INR	US\$	INR	US\$	INR	US\$
Revenues	1,688.37	25.28	1,479.24	22.91	1,522.03	23.64
Cost of revenues	1,147.46	17.17	1,025.10	15.88	1,059.68	16.46
Gross margin	540.91	8.11	454.14	7.03	462.35	7.18
	32.04%		30.70%		30.38%	
SG & A						
Expenses	420.64	6.30	395.03	6.11	393.46	6.11
	24.91%		26.70%		25.85%	
EBITDA	120.27	1.81	59.11	0.92	68.89	1.07
	7.12%		4.00%		4.53%	
Depreciation and amortization	33.60	0.50	34.11	0.53	32.90	0.51
Income from operations	86.67	1.31	25.00	0.39	35.99	0.56
Interest expense	(0.63)	(0.01)	(0.76)	(0.01)	(0.72)	(0.01)
Other income (net)	9.77	0.14	38.06	0.60	19.80	0.31
Income before income tax	95.81	1.44	62.30	0.98	55.07	0.86
Income tax provision	6.38	0.09	11.25	0.18	16.56	0.26
Net earnings	89.43	1.35	51.05	0.80	38.51	0.60

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Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Six Months Ended June 30, 2018 (Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn)

Particulars	Jan to Jun 18		Jan to Jun 17	
	INR	US\$	INR	US\$
Revenue	3,210.40	48.92	2,922.22	44.47
Cost of revenue	2,207.14	33.63	2,035.73	30.98
Gross margin	1,003.26	15.29	886.49	13.49
	31.25%		30.34%	
SG & A Expenses	814.10	12.41	754.96	11.49
	25.59%		25.84%	
EBITDA	189.16	2.88	131.53	2.00
	5.89%		4.50%	
Depreciation and amortization	66.50	1.01	66.33	1.01
Income from operations	122.66	1.87	65.20	0.99
Interest expense	(1.35)	(0.02)	(3.19)	(0.05)
Other income (net)	29.57	0.45	92.45	1.41
Income before income tax	150.88	2.30	154.46	2.35
Income tax provision	22.94	0.35	56.49	0.86
Net earnings	127.94	1.95	97.97	1.49

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Financial Performance

Consolidated Balance Sheet as at June 30, 2018 (As per Indian GAAP)

(Rs. in million)

Particulars	As at		
	June 30, 2018	December 31, 2017	January 1, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	309.08	300.38	289.52
(b) Capital work in progress	0.62	0.59	26.29
(c) Investment property	24.05	24.78	26.26
(d) Goodwill	88.19	84.05	82.35
(e) Other Intangible assets	41.99	52.82	82.40
(f) Financial assets			
(i) Investment	87.57	87.57	175.15
(ii) Other financial assets	78.06	84.79	83.96
(g) Deferred tax assets (net)	76.61	58.51	46.15
(h) Non-current tax assets	40.80	34.11	34.80
(i) Other non-current assets	27.62	12.56	31.11
	774.59	740.16	877.99
Current assets			
(a) Financial assets			
(i) Investments	279.89	136.88	87.57
(ii) Trade receivables	1,219.85	1,207.64	1,081.78
(iii) Cash and cash equivalents	823.38	923.90	1,133.85
(iv) Other balances with banks	531.74	589.86	21.78
(v) Other financial assets	202.46	186.35	205.15
(b) Other current assets	178.00	119.77	114.17
	3,235.32	3,164.40	2,644.30
Total assets	4,009.91	3,904.56	3,522.29
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	123.25	123.21	123.13
(b) Other equity	2,686.20	2,575.53	2,349.16
(c) Non Controlling Interest	-	-	-
Total equity	2,809.45	2,698.74	2,472.29
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.78	15.85	19.15
(ii) Other financial liabilities	2.53	2.23	53.59
(b) Deferred tax liabilities (net)	-	0.26	-
(c) Provisions	97.29	91.18	89.42
(d) Other non-current liabilities	0.01	0.29	0.80
	114.61	109.81	162.96
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	315.35	338.92	296.75
(ii) Other financial liabilities	226.54	185.25	183.97
(b) Provisions	198.41	186.97	175.07
(c) Other current liabilities	345.55	384.87	231.25
	1,085.85	1,096.01	887.04
Total liabilities	1,200.46	1,205.82	1,050.00
Total equity and liabilities	4,009.91	3,904.56	3,522.29

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For R Systems International Ltd.

Company Secretary

**Consolidated Operational Data (Un-audited)**

Profitability in Percentage	Quarter ended		
	Jun 30, 18	Jun 30, 17	Mar 31, 18
Revenues	100.00	100.00	100.00
Gross margin	32.04	30.70	30.38
SG & A	24.91	26.70	25.85
EBITDA	7.12	4.00	4.53
EBT	5.67	4.21	3.62
EAT	5.30	3.45	2.53

Revenue from Top 10 Clients	Quarter ended		
	Jun 30, 18	Jun 30, 17	Mar 31, 18
Top 10 Clients	35.80%	33.60%	36.13%
Top 5 Clients	24.07%	21.95%	23.33%
Top 3 Clients	16.49%	15.45%	16.66%
Largest Client	6.63%	6.22%	5.88%

Revenues by Geographies	Quarter ended		
	Jun 30, 18	Jun 30, 17	Mar 31, 18
USA	58.40%	55.64%	55.72%
Europe	17.53%	19.12%	20.71%
SEAC (South East Asia)	18.81%	19.78%	18.58%
India	1.73%	1.84%	1.77%
Others	3.53%	3.62%	3.22%
Total	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	Jun 30, 18	Jun 30, 17	Mar 31, 18
Onsite	95.43%	96.79%	96.65%
Offshore	74.09%	72.40%	74.10%
Blended	76.57%	75.63%	76.90%

Utilization (including trainees)	Quarter ended		
	Jun 30, 18	Jun 30, 17	Mar 31, 18
Onsite	95.43%	96.79%	96.65%
Offshore	72.42%	69.63%	71.84%
Blended	75.05%	73.11%	74.84%

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**Consolidated Operational Data (Un-audited)**

Human resources	As at		
	Jun 30, 18	Jun 30, 17	Mar 31, 18
Technical	2,233	2,018	2,147
Software services			
Onsite	319	285	294
Offshore	1,239	1,268	1,213
BPO			
Offshore	634	406	588
Trainees	41	59	52
Support	356	354	367
Total count	2,589	2,372	2,514

(Rs. in mn, except DSO)

Key Balance Sheet Data	As At	
	Jun 30, 18	Dec 31, 17
Receivable	1,219.85	1,207.64
Receivable in days ("DSO") #	65	60
Total cash and bank balance	1,600.43	1,621.63
Fixed assets	351.69	353.78
Shareholders' funds	2,809.45	2,698.73

for the respective quarters

Development/Service Centres Location	As on Jun 30, 2018	
	Covered areas in sq ft.	No. of seats
India		
Noida	93,679	1,791
Chennai	5,905	65
	99,584	1,856
USA		
Sacramento, CA	9,500	60
South East Asia		
Singapore	8,054	91
Malaysia	6,434	81
Thailand	592	6
Indonesia	1,109	12
	16,189	190
Europe		
Romania	19,795	184
Poland	8,141	65
Moldova	3,398	55
	31,334	304
Total	156,607	2,410

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Notes:

1. US\$ equivalent figures are derived by converting the Rupee figures using average rates for profit & loss items and closing rate for balance sheet items.
2. Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period presentation.

About R Systems International Limited

R Systems International Limited founded in 1993, is one of the leading providers of software product engineering and ITeS services and solutions. We partner with software product companies and businesses for their digital transformation by building scalable, configurable and secure products and applications using next-gen technologies and help our clients to support their customers worldwide for products and services using our global delivery model. R Systems rapidly growing customer list includes a variety of Fortune 1000, government and mid-sized organizations across a wide range of industry verticals including Banking and Finance, Independent Software Vendors, Telecom and Digital Media, Retail & E-commerce, Healthcare, and Manufacturing and Logistic Industries. R Systems maintains fifteen development and service centres to serve customers in USA, Europe and the Far East.

Safe Harbor:

Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.

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R SYSTEMS INTERNATIONAL LIMITED

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Extract of Standalone and Consolidated Financial Results for the Quarter and Half Year Ended June 30, 2018

(Rs. in million, except per share data)

Particulars	Standalone Financial Results (refer Note 4)						Consolidated Financial Results (refer Note 5)					
	Quarter Ended			Half Year Ended		Year Ended	Quarter Ended			Half Year Ended		Year Ended
	30.06.2018	31.03.2018	30.06.2017	30.06.2018	30.06.2017	31.12.2017	30.06.2018	31.03.2018	30.06.2017	30.06.2018	30.06.2017	31.12.2017
(Refer Notes)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations	748.47	591.91	657.00	1,440.38	1,306.94	2,637.51	1,688.37	1,522.03	1,479.24	3,210.40	2,922.22	5,926.36
Net profit before tax for the period/year*	37.27	59.28	48.32	96.55	144.69	346.36	95.81	55.07	62.30	150.88	154.46	357.32
Net profit after tax for the period/year*	38.32	47.31	30.63	85.63	88.49	231.95	89.43	38.51	51.05	127.94	97.97	229.22
Total comprehensive income for the period (comprising profit for the period (after tax) and other comprehensive income (after tax))	41.45	46.87	29.50	88.32	89.37	239.99	121.22	77.43	69.98	198.65	78.09	222.82
Paid - up equity share capital (Face value Re. 1/- each)	123.25	123.21	123.21	123.25	123.21	123.21	123.25	123.21	123.21	123.25	123.21	123.21
Reserves (excluding Revaluation Reserves) as at December 31, 2017						2,336.39						2,575.53
Earnings per share (Face value of Re. 1/- each) (not annualised)*												
Basic	0.31	0.38	0.25	0.69	0.72	1.88	0.73	0.31	0.41	1.04	0.80	1.86
Diluted	0.31	0.38	0.25	0.69	0.72	1.88	0.73	0.31	0.41	1.04	0.80	1.86

* The Company does not have any extraordinary item to report for the above periods

Notes:

- The above financial results for the quarter and half year ended June 30, 2018 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 27, 2018.
- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. The full format of the Quarterly Financial Results are available on the Stock Exchange websites i.e. www.bseindia.com, www.nseindia.com and Company's website at www.rsystems.com.
- Beginning January 01, 2018, the Company has for the first time adopted Indian Accounting Standards ('Ind AS') with a transition date of January 01, 2017. Refer the full format of the Quarterly Financial Results for impact on net profit and total comprehensive income.
- An audit has been completed by the Statutory Auditors for the quarter and half year ended June 30, 2018 and June 30, 2017, quarter ended March 31, 2018 and year ended December 31, 2017. There is no qualification in the Auditors' Report on these financial results. Adjustments made to the previously issued comparative financial information to comply with Ind AS have been audited by the Statutory Auditors.
- 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 half year ended June 30, 2018 and June 30, 2017, quarter ended March 31, 2018 and audit for the year ended December 31, 2017. There is no qualification in the Auditors' Report on these financial results. Adjustments made to the previously issued comparative financial information to comply with Ind AS have been reviewed by the Statutory Auditors.

For and on behalf of the Board

Aviraj Jain
Director & Chief Technology Officer
DIN: 00004801

Place : NOIDA
Date : July 27, 2018

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For R Systems International Ltd.


Company Secretary

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