

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

Registered Office : GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019

Tel : +91 120 4303500; Fax : +91 120 4082699

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

Statement of Consolidated Unaudited Financial Results for the Quarter Ended March 31, 2020

		(Rs. in million, except per share data)			
S.No.	Particulars (Refer notes)	Three months ended			Year ended
		31.03.2020 (Unaudited)	31.12.2019 (Audited) Refer note 6	31.03.2019 (Unaudited)	31.12.2019 (Audited)
1	Income				
(a)	Revenue from operations	2,092.62	2,128.71	1,962.99	8,093.75
(b)	Other income	20.74	30.57	59.35	153.85
	Total income	2,113.36	2,159.28	2,022.34	8,247.60
2	Expenses				
(a)	Employee benefits expense	1,484.99	1,399.05	1,346.55	5,462.13
(b)	Finance costs	12.56	3.37	3.80	15.65
(c)	Depreciation and amortisation expense	65.74	16.11	43.05	148.86
(d)	Other expenses	439.08	511.79	440.32	1,901.61
	Total expenses	2,002.37	1,930.32	1,833.72	7,528.25
3	Profit before tax	110.99	228.96	188.62	719.35
4	Tax expense				
(a)	Current tax	37.11	6.71	51.90	134.84
(b)	Deferred tax charge / (credit)	(21.44)	(10.06)	12.90	3.27
	Total tax expense / (credit)	15.67	(3.35)	64.80	138.11
5	Net profit for the period / year	95.32	232.31	123.82	581.24
6	Other comprehensive income / (loss)				
	<i>Items that will not be reclassified to profit or loss</i>				
(a)	Re-measurements of the defined benefit plans	(8.34)	1.36	(6.39)	(12.70)
(b)	Deferred tax relating to re-measurements of the defined benefit plans	2.43	(0.40)	2.23	4.37
	<i>Items that will be reclassified to profit or loss</i>				
(a)	Foreign Currency Translation reserve	39.19	37.09	(21.82)	35.62
	Total Other comprehensive income / (loss)	33.28	38.05	(25.98)	27.29
7	Total comprehensive income for the period / year (5+6)	128.60	270.36	97.84	608.53
8	Profit attributable to				
	Equity shareholders to the company	95.32	232.31	123.82	581.24
	Non controlling interest	-	-	-	-
		95.32	232.31	123.82	581.24
9	Total comprehensive income attributable to				
	Equity shareholders to the company	128.60	270.36	97.84	608.53
	Non controlling interest	-	-	-	-
		128.60	270.36	97.84	608.53
10	Earnings per share (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	0.80	1.94	1.00	4.82
(b)	Diluted	0.80	1.94	1.00	4.82

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2020 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'). The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on May 08, 2020.
- 2 The Limited Review as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the Statutory Auditor for the quarter ended March 31, 2020, quarter ended March 31, 2019 and audit for the quarter and year ended December 31, 2019 (also refer note 6 below) and expressed an unmodified opinion on the aforesaid results.
- 3 The Group has adopted Ind AS 116 effective annual reporting period beginning January 01, 2020 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (January 01, 2020). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on January 01, 2020.

This has resulted in recognising a right-of-use asset of Rs. 360.60 million (net of accumulated depreciation of Rs. 9.11 million) and a corresponding lease liability of Rs. 362.93 million by adjusting retained earnings (debit) of Rs. 14.43 million, net of taxes. This includes reclassification of assets and liabilities previously classified under finance leases and prepaid rent. In the statement of financial results for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

4 Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Group has considered internal and external information upto the date of approval of these consolidated financial results including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumption used and based on certain indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results and the Group will continue to closely monitor any material changes to future economic conditions.

- 5 During the year ended December 31, 2019, 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.
- 6 The figures for the quarter ended December 31, 2019 are equivalent to the difference between the audited figures in respect of the full financial year ended December 31, 2019 and the published year to date figures upto the third quarter of the relevant financial year.
- 7 The consolidated segment information is set out in Annexure A.

For and on behalf of the Board of Directors of
R SYSTEMS INTERNATIONAL LIMITED

Sd/-

Lt. Gen. Baldev Singh (Retd.)
President & Senior Executive Director
DIN: 00006966

Place : NOIDA
Date : May 08, 2020

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Segment Information

		(Rs. in million)			
S.No.	Particulars	Three months ended			Year ended
		31.03.2020	31.12.2019	31.03.2019	31.12.2019
		(Unaudited)	(Audited) Refer note 6	(Unaudited)	(Audited)
1	Segment revenue				
	- Information technology services	1,925.37	1,973.24	1,782.49	7,406.43
	- Business process outsourcing services	173.41	161.49	188.09	718.20
	Total	2,098.78	2,134.73	1,970.58	8,124.63
	Less: Elimination of intersegment sales	6.16	6.02	7.59	30.88
	Revenue from operations	2,092.62	2,128.71	1,962.99	8,093.75
2	Segment results before tax, interest and exceptional items				
	- Information technology services	116.72	225.71	175.20	689.98
	- Business process outsourcing services	12.74	14.28	16.63	57.93
	Total	129.46	239.99	191.83	747.91
	(i) Finance costs	(12.56)	(3.37)	(3.80)	(15.65)
	(ii) Interest income	12.38	16.59	17.34	60.46
	(iii) Other unallocable income	6.53	6.25	5.25	24.66
	(iv) Other unallocable expenses	(24.82)	(30.50)	(22.00)	(98.03)
	Profit before tax	110.99	228.96	188.62	719.35

Note: Assets and liabilities of the Company are used interchangeably between segments and the Chief Operating Decision Maker (CODM) does not review assets and liabilities at reportable segment level. Accordingly, segment disclosure relating to assets and liabilities has not been provided as per Ind AS 108.

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Statement of Standalone Audited Financial Results for the Quarter Ended March 31, 2020

(Rs. in million, except per share data)

S.No.	Particulars (Refer notes)	Three months ended			Year ended
		31.03.2020 (Audited)	31.12.2019 (Audited)	31.03.2019 (Audited)	31.12.2019 (Audited)
1	Income				
(a)	Revenue from operations	1,059.54	1,009.69	931.11	3,917.69
(b)	Other income	16.76	30.31	58.04	146.71
	Total income	1,076.30	1,040.00	989.15	4,064.40
2	Expenses				
(a)	Employee benefits expense	735.61	687.58	628.30	2,641.84
(b)	Finance costs	8.47	1.21	0.71	4.26
(c)	Depreciation and amortisation expense	32.48	21.85	19.66	85.91
(d)	Other expenses	213.03	177.47	164.28	700.81
	Total expenses	989.59	888.11	812.95	3,432.82
3	Profit before tax	86.71	151.89	176.20	631.58
4	Tax expense				
(a)	Current tax	30.07	(3.84)	37.97	104.22
(b)	Deferred tax charge / (credit)	(18.82)	(2.63)	20.03	12.41
	Total tax expense / (credit)	11.25	(6.47)	58.00	116.63
5	Net profit for the period / year	75.46	158.36	118.20	514.95
6	Other comprehensive income / (loss) <i>Items that will not be reclassified to profit or loss</i>				
(a)	Re-measurements of the defined benefit plans	(8.34)	1.36	(6.39)	(12.70)
(b)	Deferred tax relating to re-measurements of the defined benefit plans	2.43	(0.40)	2.23	4.37
	Total Other comprehensive income / (loss)	(5.91)	0.96	(4.16)	(8.33)
7	Total comprehensive income for the period / year (5+6)	69.55	159.32	114.04	506.62
8	Earnings per share (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	0.63	1.32	0.96	4.27
(b)	Diluted	0.63	1.32	0.96	4.27

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2020 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'). The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on May 08, 2020.
- 2 The Statutory Auditors have carried out an audit for the quarter ended March 31, 2020, quarter ended March 31, 2019 and for the quarter and year ended December 31, 2019. The audit report for the aforementioned results is not modified.
- 3 The Company has adopted Ind AS 116 effective annual reporting period beginning January 01, 2020 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (January 01, 2020). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on January 01, 2020.

This has resulted in recognising a right-of-use asset of Rs. 242.00 million (net of accumulated depreciation of Rs. 8.72 million) and a corresponding lease liability of Rs. 240.43 million by adjusting retained earnings (debit) of Rs. 10.49 million, net of taxes. This includes reclassification of assets and liabilities previous classified under finance leases and prepaid rent. In the statement of financial results for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

4 Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs and certain investments, the Company has considered internal and external information upto the date of approval of these standalone financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumption used and based on certain indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.

- 5 During the year ended December 31, 2019, 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.
- 6 The standalone segment information is set out in Annexure A.

For and on behalf of the Board of Directors of
R SYSTEMS INTERNATIONAL LIMITED

Sd/-

Lt. Gen. Baldev Singh (Retd.)
President & Senior Executive Director
DIN: 00006966

Place : NOIDA
Date : May 08, 2020

R SYSTEMS INTERNATIONAL LIMITED
Standalone Segment Information

(Rs. in million)

S.No.	Particulars	Three months ended			Year ended
		31.03.2020	31.12.2019	31.03.2019	31.12.2019
		(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue				
	- Information technology services	886.13	848.20	743.02	3,199.49
	- Business process outsourcing services	173.41	161.49	188.09	718.20
	Revenue from operations	1,059.54	1,009.69	931.11	3,917.69
2	Segment results before tax, interest and exceptional items				
	- Information technology services	86.68	143.24	158.17	583.37
	- Business process outsourcing services	12.74	14.28	16.63	57.93
	Total	99.42	157.52	174.80	641.30
	(i) Finance costs	(8.47)	(1.21)	(0.71)	(4.26)
	(ii) Interest income	10.11	12.26	15.24	50.50
	(iii) Other unallocable income	6.53	6.25	5.25	24.66
	(iv) Other unallocable expenses	(20.88)	(22.93)	(18.38)	(80.62)
	Profit before tax	86.71	151.89	176.20	631.58

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.