

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

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

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

Statement of Consolidated Audited Results for the Year ended December 31, 2016

(Rs. in lakhs, except per share data)						
S.No.	Particulars (Refer notes)	Three Months Ended			Year Ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		(Audited) Refer note 8	(Unaudited)	(Audited) Refer note 8	(Audited)	(Audited)
1	Income from operations					
(a)	Income from operations	15,340.20	14,411.31	14,578.44	58,823.73	60,503.19
(b)	Other operating income	326.21	252.66	233.03	638.57	469.53
	Total income from operations	15,666.41	14,663.97	14,811.47	59,462.30	60,972.72
2	Expenses					
(a)	Employee benefits expense	9,909.74	9,536.93	8,808.10	37,978.92	36,488.03
(b)	Depreciation and amortisation expense	289.44	298.32	330.14	1,151.20	1,402.34
(c)	Travelling and conveyance	524.64	559.34	631.90	2,433.34	3,406.16
(d)	Communication costs	182.43	189.74	180.95	721.88	777.08
(e)	Legal and professional expenses (including subcontract expenses)	1,471.50	1,474.68	1,753.96	5,886.26	6,451.90
(f)	Provision for doubtful debts and advances (net)	-	-	12.92	-	82.15
(g)	Other expenses	1,484.74	1,085.67	1,658.32	4,738.37	6,062.67
	Total expenses	13,862.49	13,144.68	13,376.29	52,909.97	54,670.33
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,803.92	1,519.29	1,435.18	6,552.33	6,302.39
4	Other income	209.13	144.18	120.96	632.11	511.75
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	2,013.05	1,663.47	1,556.14	7,184.44	6,814.14
6	Finance costs	16.83	25.82	28.20	79.17	95.88
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,996.22	1,637.65	1,527.94	7,105.27	6,718.26
8	Exceptional items (refer note 3)	463.47	-	369.59	463.47	6,031.01
9	Profit from ordinary activities before tax (7+8)	2,459.69	1,637.65	1,897.53	7,568.74	12,749.27
10	Tax expense					
	Current tax [refer note 3 (g)]	737.51	550.78	(551.30)	2,440.27	2,900.75
	MAT credit (related to earlier years)	(151.27)	-	-	(151.27)	-
	Deferred tax charge / (credit)	13.67	10.16	119.82	(89.10)	65.54
	Total tax expense	599.91	560.94	(431.48)	2,199.90	2,966.29
11	Net profit from ordinary activities after tax (9-10)	1,859.78	1,076.71	2,329.01	5,368.84	9,782.98
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	1,859.78	1,076.71	2,329.01	5,368.84	9,782.98
14	Share of profit / (loss) of associates	-	-	-	-	-
15	Minority Interest	-	-	-	-	-
16	Net profit after taxes, minority interest and share of profit / (loss) of associates (13+14-15)	1,859.78	1,076.71	2,329.01	5,368.84	9,782.98
17	Paid - up equity share capital (Face value Re. 1/- each) (refer note 6)	1,231.31	1,261.31	1,261.31	1,231.31	1,261.31
18	Reserves excluding Revaluation Reserves as at December 31, 2016 and December 31, 2015				26,565.99	23,024.34
19.i	Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.48	0.85	1.84	4.24	7.70
(b)	Diluted	1.48	0.85	1.84	4.24	7.70
19.ii	Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.48	0.85	1.84	4.24	7.70
(b)	Diluted	1.48	0.85	1.84	4.24	7.70

See accompanying notes to the financial results.

Notes:

- 1 The results for the quarter and year ended December 31, 2016 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 10, 2017.
- 2 An audit has been completed by the Statutory Auditors for the year ended December 31, 2016 and December 31, 2015. There is no qualification in the Auditors' Report on these financial results.
- 3 'Exceptional items':
 - (a) On July 11, 2014, the Company had incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited (which was later converted into R Systems Products & Technologies Private Limited ("RSPTPL") on May 28, 2015). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 had accorded necessary approval for transfer of the Company's Indus Business Unit operated out of Pune and Chennai to RSPTPL. The Company had entered into 'Business Transfer Agreement' (BTA) with RSPTPL on June 27, 2015 for the aforesaid transfer on a going concern basis by way of slump sale, for consideration of Rs. 7,839.00 lakhs to be discharged by RSPTPL through issuance of 60,000,003 equity shares of Re. 1/- each at a premium of Rs. 6.227333 per share and 35,026 compulsorily redeemable debentures of Rs. 10,000 each to be redeemed over a period of 4 years, on the terms and conditions agreed in BTA and Debenture Subscription Agreement. The Company had also entered into 'Share Purchase Agreement' (SPA) with BD Capital Partners Ltd. ("BDC"), a Mauritius based company on June 27, 2015 to sell 93% of its equity share in RSPTPL to BDC for a consideration of Rs. 4,431.70 lakhs (USD 7 million). The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015. The name of RSPTPL was changed to Indus Software Technologies Private Limited (ISPTPL) w.e.f August 19, 2015. The gain on sale of Indus Business Unit including the gain on sale of aforesaid equity share in RSPTPL, amounting to Rs. 5,661.42 lakhs (net of related expenses) is disclosed as 'Exceptional items' in the financial results for the year ended December 31, 2015. Subject to the satisfaction of certain conditions, BDC had also agreed to purchase the balance 7% equity shares for a consideration up to Rs. 661.55 lakhs (USD 1 million). During the quarter ended December 31, 2016, the Company has received the consideration for the sale of balance 7% share in ISPTPL. The gain on sale of aforesaid equity share amounts to Rs. 371.74 lakhs is disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016. 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:

Particulars	(Rs. in lakhs)
	Year Ended 31.12.15 (01.01.15 to 07.07.15)
Total income	5,764.71
Total expenses	4,931.89
Profit before tax	832.82
Total tax expense	267.14
Profit after tax	565.68
 - (b) The Company, during the quarter ended December 31, 2016, realised additional amounts of Rs. 91.73 lakhs towards the sale of Indus Business unit and disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016.
 - (c) On December 10, 2015, R Systems Solution Inc. (RSSI), a wholly owned subsidiary of the Company was merged into R Systems Inc. (RSI), also a wholly owned subsidiary of the Company, as per the applicable laws of India and USA. Pursuant to aforesaid merger, the Company had received incremental 150 common stock of RSI against outstanding common and preferred (series A) stocks held in RSSI. Due to aforesaid merger, the Company had released currency translation reserve of RSSI amounting to Rs. 96.81 lakhs to the foreign exchange fluctuation which is disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2015.
 - (d) Rs. 126.09 lakhs for the quarter and year ended December 31, 2015 being the reversal of deferred payment compensation to the erstwhile shareholders of ECnet limited, Singapore after the expiry of relevant limitation period under applicable laws, has been included under 'Exceptional items'.
 - (e) 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, by executing the Share Sale Agreement (the "SSA") along with other necessary documents for a sale consideration of Euro 4.70 million (Rs. 3,574.69 lakhs). Out of the sale consideration, Euro 0.35 million (Rs. 266.28 lakhs) was placed in an escrow account in the Netherlands, the realisation of which was subject to certain conditions pursuant to the provision of the SSA. During the year ended December 31, 2015, on the stipulated conditions under the SSA being completed, the Company had received Euro 0.35 million (Rs. 266.28 lakhs) which was placed in an escrow account. The amount so received, has been included as profit on sale of aforesaid subsidiaries under the 'Exceptional items' in the financial results for the quarter and year ended December 31, 2015.
 - (f) ECnet Limited, a subsidiary of the Company had recorded an impairment loss amounting to Rs. 119.59 lakhs related to the certain intangible assets acquired in earlier years which is included under 'Exceptional items' for the quarter and year ended December 31, 2015.
 - (g) The consequent tax expense / (benefit) of above 'Exceptional items' amounting to Rs. 148.01 lakhs for the quarter and year ended December 31, 2016, Rs. (696.17) lakhs for the quarter ended December 31, 2015 and Rs. 630.18 lakhs for the year ended December 31, 2015, is included in the 'Current tax' in the financial results for the respective periods.
- 4 On April 30, 2015, R Systems (Singapore) Pte. Limited, a wholly owned subsidiary of the Company, has acquired 100% share of IBIZCS Group Pte. Ltd, Singapore (IBIZ) for maximum consideration of SGD 7.50 million including the earn-outs over the next three years on fulfilment of certain conditions by the erstwhile shareholder of IBIZ. As at December 31, 2015, basis the conditions specified in the Share Purchase Agreement and subsequent amendment thereof, the management assessed the investment value at SGD 3.37 million which represents the consideration assessed as probable to be paid over the period and consequently the goodwill arising on acquisition is SGD 4.24 million. As at December 31, 2016, the management has re-assessed the investment value at SGD 3.01 million (Rs. 1,411.72 lakhs) which represents the consideration assessed as probable to be paid over the period and the goodwill arising on acquisition is SGD 3.71 million (Rs. 1,744.74 lakhs).
- 5 On August 07, 2015, Computaris International Limited, a UK subsidiary of the Company entered into an Assets Purchase Agreement (APA) for acquisition of certain customer contracts and related intellectual property rights from the subsidiary of a leading European telecommunication company for a maximum consideration of Euro 0.70 million on fulfilment of certain conditions. The aforesaid Assets purchase was completed on October 1, 2015. The management assessed Euro 0.57 mn (Rs. 425.11 Lakhs) as the estimated purchase price for the aforesaid assets acquired basis the conditions specified in APA and accordingly recorded as intangible assets. During the year ended December 31, 2016, the conditions as stipulated in APA have been fulfilled and the purchase consideration has been settled at Euro 0.57 mn (Rs. 425.11 Lakhs).
- 6 The Company has issued Public Announcement dated September 15, 2016, for buy-back of equity shares of face value of Re. 1/- each from its existing shareholders as on the record date September 30, 2016 on a proportionate basis through "Tender Offer" route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Companies Act, 2013 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 1,950 lakhs. Under the Buy-back offer, the Company has bought back 3,000,000 equity shares for an aggregate amount of Rs. 1,950 lakhs by utilising the Securities Premium Account to the extent of Rs. 1,920 lakhs and General Reserve to the extent of Rs. 30 lakhs. The Capital Redemption Reserve has been created out of General Reserve for Rs. 30 lakhs being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The aforesaid buy-back has been completed on November 29, 2016.
- 7 The Company has received the 'Letter of Approval' (LOA) from Department of Commerce, Ministry of Commerce & Industry, Government of India on October 19, 2016 for setting up 'Special Economic Zone' (SEZ) unit measuring approx. 15,000 sq. ft. located at Greater Noida West (NCR). Subsequent to the year end, the Company has commenced its operation in SEZ premises on January 25, 2017.
- 8 Figures for the quarter ended December 31, 2016 and December 31, 2015 are equivalent to the difference between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year which were subjected to quarterly limited review by the statutory auditors.
- 9 Refer Annexure A for the consolidated statement of assets and liabilities.
- 10 Refer Annexure B for segment wise consolidated revenue, results, assets and liabilities.
- 11 Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period / year presentation.

For and on behalf of the Board

Place : NOIDA
Date : February 10, 2017Sd/-
Lt. Gen. Baldev Singh (Retd.)
[President & Senior Executive Director]
[DIN: 00006966]

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Statement of Assets and Liabilities

(Rs. in lakhs)

Particulars		As at Year Ended 31.12.2016	As at Year Ended 31.12.2015
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,231.31	1,261.31
	(b) Reserves and surplus	26,565.99	23,024.34
	Sub total - Shareholders' fund	27,797.30	24,285.65
2	Minority interest	-	-
3	Non-current liabilities		
	(a) Long-term borrowings	191.46	77.71
	(b) Other long-term liabilities	572.04	1,006.07
	(c) Long-term provisions	894.25	634.63
	Sub total - Non-current liabilities	1,657.75	1,718.41
4	Current liabilities		
	(a) Trade payables	4,389.40	4,853.85
	(b) Other current liabilities	2,702.62	3,034.26
	(c) Short-term provisions	1,749.05	1,660.29
	Sub total - Current liabilities	8,841.07	9,548.40
	TOTAL - EQUITY AND LIABILITIES	38,296.12	35,552.46
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	3,479.44	3,201.94
	(b) Goodwill on consolidation	4,522.07	4,779.72
	(c) Non-current investments	2,014.03	2,904.47
	(d) Deferred tax assets (net)	461.39	370.34
	(e) Long-term loans and advances	891.06	632.70
	(f) Other non-current assets	615.77	744.84
	Sub total - Non- current assets	11,983.76	12,634.01
2	Current assets		
	(a) Current investments	875.70	1,180.09
	(b) Trade receivables	10,822.20	10,463.12
	(c) Cash and cash equivalents	11,432.45	8,514.67
	(d) Short-term loans and advances	1,515.79	1,437.54
	(e) Other current assets	1,666.22	1,323.03
	Sub total - Current assets	26,312.36	22,918.45
	TOTAL - ASSETS	38,296.12	35,552.46

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

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Year Ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		(Audited) Refer note 8	(Unaudited)	(Audited) Refer note 8	(Audited)	(Audited)
1	Segment revenue					
	- Information technology services and products	14,156.73	13,302.64	13,507.28	54,491.21	55,642.74
	- Business process outsourcing services	1,231.37	1,155.84	1,117.85	4,522.54	5,041.88
	Total	15,388.10	14,458.48	14,625.13	59,013.75	60,684.62
	Less: Elimination of intersegment sales	47.90	47.17	46.69	190.02	181.43
	Income from operations	15,340.20	14,411.31	14,578.44	58,823.73	60,503.19
2	Segment results before tax, interest and exceptional items					
	- Information technology services and products	1,915.32	1,597.48	1,501.73	6,774.81	6,768.49
	- Business process outsourcing services	120.70	76.92	101.44	488.43	188.89
	Total	2,036.02	1,674.40	1,603.17	7,263.24	6,957.38
	(i) Interest expense	(4.08)	(3.35)	(15.03)	(13.63)	(22.94)
	(ii) Interest income	193.12	128.18	104.96	568.11	463.21
	(iii) Other unallocable income	16.00	16.00	16.00	64.00	48.54
	(iv) Exceptional items (refer note 3)	463.47	-	369.59	463.47	6,031.01
	(v) Other unallocable expenses	(244.84)	(177.58)	(181.16)	(776.45)	(727.93)
	Profit before tax	2,459.69	1,637.65	1,897.53	7,568.74	12,749.27
3	Capital employed					
a	Segment assets					
	- Information technology services and products	22,027.20	21,600.07	20,104.60	22,027.20	20,104.60
	- Business process outsourcing services	3,344.80	2,569.03	3,002.19	3,344.80	3,002.19
	- Inter segment assets elimination	(348.70)	(687.60)	(295.29)	(348.70)	(295.29)
	- Unallocated corporate assets	13,272.82	15,038.82	12,740.96	13,272.82	12,740.96
	Total segment assets (A)	38,296.12	38,520.32	35,552.46	38,296.12	35,552.46
b	Segment liabilities					
	- Information technology services and products	9,008.39	8,100.01	8,876.54	9,008.39	8,876.54
	- Business process outsourcing services	498.69	1,138.43	644.13	498.69	644.13
	- Inter segment liabilities elimination	(348.70)	(687.60)	(295.29)	(348.70)	(295.29)
	- Unallocated corporate liabilities	1,340.44	1,826.91	2,041.43	1,340.44	2,041.43
	Total segment liabilities (B)	10,498.82	10,377.75	11,266.81	10,498.82	11,266.81
	Capital employed (A- B)	27,797.30	28,142.57	24,285.65	27,797.30	24,285.65

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Statement of Standalone Audited Results for the Quarter and Year Ended December 31, 2016

(Rs. in lakhs, except per share data)						
S.No.	Particulars	Three Months Ended			Year Ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
	(Refer notes)	(Audited) Refer Note 6	(Audited)	(Audited) Refer Note 6	(Audited)	(Audited)
1	Income from operations					
(a)	Income from operations	6,883.18	6,546.78	6,152.67	26,317.69	28,925.98
(b)	Other operating income	161.35	287.42	128.01	606.95	453.04
	Total income from operations	7,044.53	6,834.20	6,280.68	26,924.64	29,379.02
2	Expenses					
(a)	Employee benefits expense	4,549.23	4,216.98	3,843.46	16,631.78	17,346.10
(b)	Depreciation and amortisation expense	172.00	182.03	181.27	693.03	958.12
(c)	Travelling and conveyance	305.25	345.70	435.97	1,451.65	2,386.40
(d)	Communication costs	141.04	140.65	114.85	538.36	554.88
(e)	Legal and professional expenses (including subcontract expenses)	193.62	149.72	199.88	582.18	860.53
(f)	Provision for doubtful debts and advances (net)	-	-	6.17	-	23.89
(g)	Other expenses	508.44	485.62	538.81	1,946.45	2,416.77
	Total expenses	5,869.58	5,520.70	5,320.41	21,843.45	24,546.69
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,174.95	1,313.50	960.27	5,081.19	4,832.33
4	Other income	208.45	143.55	120.02	629.72	509.31
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,383.40	1,457.05	1,080.29	5,710.91	5,341.64
6	Finance costs	7.70	15.43	16.27	36.84	42.76
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,375.70	1,441.62	1,064.02	5,674.07	5,298.88
8	Exceptional items (refer note 3)	463.47	-	836.39	463.47	6,480.74
9	Profit from ordinary activities before tax (7+8)	1,839.17	1,441.62	1,900.41	6,137.54	11,779.62
10	Tax expense					
	Current tax [refer note 3 (f)]	635.56	521.50	(352.34)	2,249.44	2,628.20
	MAT credit (related to earlier years)	(151.27)	-	-	(151.27)	-
	Deferred tax charge / (credit)	3.45	(8.92)	103.30	(82.01)	87.02
	Total tax expense	487.74	512.58	(249.04)	2,016.16	2,715.22
11	Net profit from ordinary activities after tax (9-10)	1,351.43	929.04	2,149.45	4,121.38	9,064.40
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	1,351.43	929.04	2,149.45	4,121.38	9,064.40
14	Paid - up equity share capital (Face value Re. 1/- each) (refer note 4)	1,231.31	1,261.31	1,261.31	1,231.31	1,261.31
15	Reserves excluding Revaluation Reserves as at December 31, 2016 and December 31, 2015				20,803.21	18,575.93
16.i	Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.07	0.73	1.69	3.26	7.14
(b)	Diluted	1.07	0.73	1.69	3.25	7.14
16.ii	Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.07	0.73	1.69	3.26	7.14
(b)	Diluted	1.07	0.73	1.69	3.25	7.14

See accompanying notes to the financial results.

Notes:

- 1 The results for the quarter and Year ended December 31, 2016 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 10, 2017.
- 2 An audit has been completed by the Statutory Auditors for the quarter and year ended December 31, 2016 and December 31, 2015. There is no qualification in the Auditors' Report on these financial results.
- 3 'Exceptional items':
 - (a) On July 11, 2014, the Company had incorporated a wholly owned subsidiary in India, namely, R Systems Products & Technologies Limited (which was later converted into R Systems Products & Technologies Private Limited ("RSPTPL") on May 28, 2015). The shareholders of the Company by passing special resolution through postal ballot on September 23, 2014 had accorded necessary approval for transfer of the Company's Indus Business Unit operated out of Pune and Chennai to RSPTPL. The Company had entered into 'Business Transfer Agreement' (BTA) with RSPTPL on June 27, 2015 for the aforesaid transfer on a going concern basis by way of slump sale, for consideration of Rs. 7,839.00 lakhs to be discharged by RSPTPL through issuance of 60,000,003 equity shares of Re. 1/- each at a premium of Rs. 6.227333 per share and 35,026 compulsorily redeemable debentures of Rs. 10,000 each to be redeemed over a period of 4 years, on the terms and conditions agreed in BTA and Debenture Subscription Agreement. The Company had also entered into 'Share Purchase Agreement' (SPA) with BD Capital Partners Ltd. ("BDC"), a Mauritius based company on June 27, 2015 to sell 93% of its equity share in RSPTPL to BDC for a consideration of Rs. 4,431.70 lakhs (USD 7 million). The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015. The name of RSPTPL was changed to Indus Software Technologies Private Limited (ISPTPL) w.e.f August 19, 2015. 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 year ended December 31, 2015. Subject to the satisfaction of certain conditions, BDC had also agreed to purchase the balance 7% equity shares for a consideration up to Rs. 661.55 lakhs (USD 1 million). During the quarter ended December 31, 2016, the Company has received the consideration for the sale of balance 7% share in ISPTPL. The gain on sale of aforesaid equity share amounts to Rs. 371.74 lakhs is disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016. 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:

Particulars	(Rs. in lakhs)
	Year Ended 31.12.15 (01.01.15 to 07.07.15)
Total income	5,764.71
Total expenses	4,931.89
Profit before tax	832.82
Total tax expense	267.14
Profit after tax	565.68

- (b) The Company, during the quarter ended December 31, 2016, realised additional amounts of Rs. 91.73 lakhs towards the sale of Indus Business unit and disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2016.
 - (c) On December 10, 2015, R Systems Solution Inc. (RSSI), a wholly owned subsidiary of the Company was merged into R Systems Inc. (RSI), also a wholly owned subsidiary of the Company, as per the applicable laws of India and USA. Pursuant to aforesaid merger, the Company had received incremental 150 common stock of RSI against outstanding common and preferred (series A) stocks held in RSSI. Accordingly the Company had recorded receipt of incremental shares in RSI at Rs. 578.16 lakhs, being the fair value of investments given up. The Company in the earlier years had provided for permanent diminution in value of its investments in RSSI amounting to Rs. 1,726.76 lakhs and was carrying these investments at Rs. 134.14 lakhs. Consequent to the above merger, the Company had written back such permanent diminution to the extent of available net assets of Rs. 578.16 lakhs and accordingly recorded Rs. 444.02 lakhs as gain under 'Exceptional items' for the quarter and year ended December 31, 2015.
 - (d) Rs. 126.09 lakhs for the quarter and year ended December 31, 2015 being the reversal of deferred payment compensation to the erstwhile shareholders of ECnet limited, Singapore after the expiry of relevant limitation period under applicable laws, has been included under 'Exceptional items'.
 - (e) 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, by executing the Share Sale Agreement (the "SSA") along with other necessary documents for a sale consideration of Euro 4.70 million (Rs. 3,574.69 lakhs). Out of the sale consideration, Euro 0.35 million (Rs. 266.28 lakhs) was placed in an escrow account in the Netherlands, the realisation of which was subject to certain conditions pursuant to the provision of the SSA. During the year ended December 31, 2015, on the stipulated conditions under the SSA being completed, the Company had received Euro 0.35 million (Rs. 266.28 lakhs) which was placed in an escrow account. The amount so received, has been included as profit on sale of aforesaid subsidiaries under the 'Exceptional items' in the financial results for the quarter and year ended December 31, 2015.
 - (f) The consequent tax expense/(benefit) of above 'Exceptional items' amounting to Rs. 148.01 lakhs for the quarter and year ended December 31, 2016, Rs. (696.17) lakhs for the quarter ended December 31, 2015 and Rs. 630.18 lakhs for the year ended December 31, 2015, is included in the 'Current tax' in the financial results for the respective periods.
- 4 The Company has issued Public Announcement dated September 15, 2016, for buy-back of equity shares of face value of Re. 1/- each from its existing shareholders as on the record date September 30, 2016 on a proportionate basis through "Tender Offer" route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Companies Act, 2013 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 1,950 lakhs. Under the Buy-back offer, the Company has bought back 30 lakhs equity shares for an aggregate amount of Rs. 1,950 lakhs by utilising the Securities Premium Account to the extent of Rs. 1,920 lakhs and General Reserve to the extent of Rs. 30 lakhs. The Capital Redemption Reserve has been created out of General Reserve for Rs. 30 lakhs being the nominal value of equity shares bought back in terms of Section 68 of the Companies Act, 2013. The aforesaid buy-back has been completed on November 29, 2016.
 - 5 The Company has received the 'Letter of Approval' (LOA) from Department of Commerce, Ministry of Commerce & Industry, Government of India on October 19, 2016 for setting up 'Special Economic Zone' (SEZ) unit measuring approx. 15,000 sq. ft. located at Greater Noida West (NCR). Subsequent to the year end, the Company has commenced its operation in SEZ premises on January 25, 2017.
 - 6 Figures for the quarter ended December 31, 2016 and December 31, 2015 are equivalent to the difference between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
 - 7 Refer Annexure A for the standalone statement of assets & liabilities.
 - 8 Refer Annexure B for segment wise standalone revenue, results, assets and liabilities.
 - 9 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

Sd/-

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

Place : NOIDA
Date : February 10, 2017

R SYSTEMS INTERNATIONAL LIMITED
Standalone Statement of Assets & Liabilities

(Rs. in lakhs)

Particulars		As at Year Ended 31.12.2016	As at Year Ended 31.12.2015
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,231.31	1,261.31
	(b) Reserves and surplus	20,803.21	18,575.93
	Sub total - Shareholders' fund	22,034.52	19,837.24
2	Non-current liabilities		
	(a) Long-term borrowings	191.46	77.71
	(b) Other long-term liabilities	126.26	123.61
	(c) Long-term provisions	894.25	634.63
	Sub total - Non-current liabilities	1,211.97	835.95
3	Current liabilities		
	(a) Trade payables	1,577.34	1,734.32
	(b) Other current liabilities	1,176.65	1,400.97
	(c) Short-term provisions	1,204.82	1,171.93
	Sub total - Current liabilities	3,958.81	4,307.22
	TOTAL - EQUITY AND LIABILITIES	27,205.30	24,980.41
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	2,780.94	2,371.30
	(b) Non-current investments	11,268.93	11,627.54
	(c) Deferred tax assets (net)	436.57	354.56
	(d) Long-term loans and advances	716.07	463.16
	(e) Other non-current assets	532.89	511.56
	Sub total - Non-current assets	15,735.40	15,328.12
2	Current assets		
	(a) Current investments	875.70	1,180.09
	(b) Trade receivables	5,008.43	5,046.15
	(c) Cash and cash equivalents	4,020.80	2,113.80
	(d) Short-term loans and advances	901.84	932.41
	(e) Other current assets	663.13	379.84
	Sub total - Current assets	11,469.90	9,652.29
	TOTAL - ASSETS	27,205.30	24,980.41

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

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Year Ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		(Audited) Refer Note 6	(Audited)	(Audited) Refer Note 6	(Audited)	(Audited)
1	Segment revenue					
	- Information technology services and products	5,651.81	5,390.94	5,089.85	21,795.15	24,823.07
	- Business process outsourcing services	1,231.37	1,155.84	1,062.82	4,522.54	4,102.91
	Income from operations	6,883.18	6,546.78	6,152.67	26,317.69	28,925.98
2	Segment results before tax, interest and exceptional items					
	- Information technology services and products	1,194.00	1,375.30	961.37	5,163.58	4,882.88
	- Business process outsourcing services	120.70	76.92	96.63	488.43	487.33
	Total	1,314.70	1,452.22	1,058.00	5,652.01	5,370.21
	(i) Interest expense	(4.08)	(3.33)	(14.62)	(13.41)	(21.26)
	(ii) Interest income	192.45	127.55	104.02	565.72	460.77
	(iii) Other unallocable income	16.00	16.00	16.00	64.00	48.54
	(iv) Exceptional Items (refer note 3)	463.47	-	836.39	463.47	6,480.74
	(v) Other unallocable expenses	(143.37)	(150.82)	(99.38)	(594.25)	(559.38)
	Profit before tax	1,839.17	1,441.62	1,900.41	6,137.54	11,779.62
3	Capital employed					
a	Segment assets					
	- Information technology services and products	8,082.11	8,688.52	7,506.33	8,082.11	7,506.33
	- Business process outsourcing services	1,876.88	1,101.11	1,534.27	1,876.88	1,534.27
	- Inter segment assets elimination	(316.75)	(671.93)	(248.61)	(316.75)	(248.61)
	- Unallocated corporate assets	17,563.06	18,670.28	16,188.42	17,563.06	16,188.42
	Total segment assets (A)	27,205.30	27,787.98	24,980.41	27,205.30	24,980.41
b	Segment liabilities					
	- Information technology services and products	4,506.00	3,910.26	4,081.61	4,506.00	4,081.61
	- Business process outsourcing services	498.69	1,138.43	644.13	498.69	644.13
	- Inter segment liabilities elimination	(316.75)	(671.93)	(248.61)	(316.75)	(248.61)
	- Unallocated corporate liabilities	482.84	787.86	666.04	482.84	666.04
	Total segment liabilities (B)	5,170.78	5,164.62	5,143.17	5,170.78	5,143.17
	Capital employed (A- B)	22,034.52	22,623.36	19,837.24	22,034.52	19,837.24