

## R SYSTEMS INTERNATIONAL LIMITED

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Statement of Consolidated Unaudited Results for the Quarter and Nine Month Ended September 30, 2016

(Rs. in lakhs, except per share data)							
S.No.	Particulars (Refer notes)	Three Months Ended			Nine Month Ended		Year Ended
		30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)	31.12.2015 (Audited)
<b>1</b>	<b>Income from operations</b>						
(a)	Income from operations	14,411.31	14,885.33	14,300.90	43,483.53	45,924.75	60,503.19
(b)	Other operating income	200.73	130.78	60.81	412.81	236.50	469.53
	<b>Total income from operations</b>	<b>14,612.04</b>	<b>15,016.11</b>	<b>14,361.71</b>	<b>43,896.34</b>	<b>46,161.25</b>	<b>60,972.72</b>
<b>2</b>	<b>Expenses</b>						
(a)	Employee benefits expense	9,536.93	9,396.06	8,520.87	28,069.18	27,679.93	36,488.03
(b)	Depreciation and amortisation expense	298.32	280.29	268.80	861.76	1,072.20	1,402.34
(c)	Travelling and conveyance	559.34	399.28	704.49	1,908.70	2,774.26	3,406.16
(d)	Communication costs	189.74	191.54	199.58	539.45	596.13	777.08
(e)	Legal and professional expenses (including subcontract expenses)	1,474.68	1,377.62	1,535.87	4,414.76	4,697.94	6,451.90
(f)	Provision for doubtful debts and advances (net)	(51.93)	64.27	(5.49)	100.45	69.23	82.15
(g)	Other expenses	1,085.67	1,221.35	1,628.20	3,253.63	4,404.35	6,062.67
	<b>Total expenses</b>	<b>13,092.75</b>	<b>12,930.41</b>	<b>12,852.32</b>	<b>39,147.93</b>	<b>41,294.04</b>	<b>54,670.33</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,519.29</b>	<b>2,085.70</b>	<b>1,509.39</b>	<b>4,748.41</b>	<b>4,867.21</b>	<b>6,302.39</b>
4	Other income	144.18	142.73	170.39	422.98	390.79	511.75
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,663.47</b>	<b>2,228.43</b>	<b>1,679.78</b>	<b>5,171.39</b>	<b>5,258.00</b>	<b>6,814.14</b>
6	Finance costs	25.82	18.93	23.32	62.34	67.68	95.88
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>1,637.65</b>	<b>2,209.50</b>	<b>1,656.46</b>	<b>5,109.05</b>	<b>5,190.32</b>	<b>6,718.26</b>
8	Exceptional items (refer note 3)	-	-	5,661.42	-	5,661.42	6,031.01
<b>9</b>	<b>Profit from ordinary activities before tax (7+8)</b>	<b>1,637.65</b>	<b>2,209.50</b>	<b>7,317.88</b>	<b>5,109.05</b>	<b>10,851.74</b>	<b>12,749.27</b>
<b>10</b>	<b>Tax expense</b>						
	Current tax expense [refer note 3 (f)]	550.78	615.55	1,977.61	1,702.76	3,452.06	2,900.75
	Deferred tax charge / (credit)	10.16	(74.70)	140.70	(102.77)	(54.28)	65.54
	<b>Total tax expense</b>	<b>560.94</b>	<b>540.85</b>	<b>2,118.31</b>	<b>1,599.99</b>	<b>3,397.78</b>	<b>2,966.29</b>
<b>11</b>	<b>Net profit from ordinary activities after tax (9-10)</b>	<b>1,076.71</b>	<b>1,668.65</b>	<b>5,199.57</b>	<b>3,509.06</b>	<b>7,453.96</b>	<b>9,782.98</b>
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>13</b>	<b>Net profit for the period / year (11-12)</b>	<b>1,076.71</b>	<b>1,668.65</b>	<b>5,199.57</b>	<b>3,509.06</b>	<b>7,453.96</b>	<b>9,782.98</b>
14	Share of profit / (loss) of associates	-	-	-	-	-	-
15	Minority Interest	-	-	-	-	-	-
<b>16</b>	<b>Net profit after taxes, minority interest and share of profit / (loss) of associates (13+14-15)</b>	<b>1,076.71</b>	<b>1,668.65</b>	<b>5,199.57</b>	<b>3,509.06</b>	<b>7,453.96</b>	<b>9,782.98</b>
17	Paid - up equity share capital (Face value Re. 1/- each)	1,261.31	1,261.31	1,261.31	1,261.31	1,261.31	1,261.31
18	Reserves excluding Revaluation Reserves as at December 31, 2015						23,024.34
<b>19.i</b>	<b>Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)</b>						
(a)	Basic	0.85	1.32	4.10	2.77	5.87	7.70
(b)	Diluted	0.85	1.31	4.10	2.76	5.87	7.70
<b>19.ii</b>	<b>Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)</b>						
(a)	Basic	0.85	1.32	4.10	2.77	5.87	7.70
(b)	Diluted	0.85	1.31	4.10	2.76	5.87	7.70

See accompanying notes to the financial results.

**Notes:**

- 1 The results for the quarter and nine months ended September 30, 2016 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 26, 2016.
- 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 and nine months ended September 30, 2016 and September 30, 2015, quarter ended June 30, 2016 and audit for the year ended 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 also entered into 'Share Purchase Agreement' (SPA) with BD Capital Partners Ltd. ("BDC"), a Mauritius based company on June 27, 2015 to sell 93% of its equity share in RSPTPL to BDC for a consideration of Rs. 4,431.70 lakhs (USD 7 million). Subject to the satisfaction of certain conditions, BDC has also agreed to purchase the balance 7% equity shares for a consideration up to Rs. 666.15 lakhs (USD 1 million). These conditions though have been completed during the quarter ended March 31, 2016, the Company is yet to receive the consideration pending certain modalities. Accordingly, it has not recorded the sale of balance 7% equity shares. The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015.  
 The gain on sale of Indus Business Unit 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 quarter and period ended September 30, 2015 and year ended December 31, 2015. The name of RSPTPL was changed to Indus Software Technologies Private Limited w.e.f August 19, 2015.  
 Accordingly, the aforesaid Indus Business Unit, being part of Information technology services and products segment, is considered as "Discontinuing Operations" till July 07, 2015. The revenue and expenses attributable to the said operations included in the financial results are as follows:

Particulars	(Rs. in lakhs)	
	Three Months Ended 30.09.2015 (01.07.15 to 07.07.15)	Year Ended 31.12.15 (01.01.15 to 07.07.15)
Total income	225.12	5,764.71
Total expenses	217.23	4,931.89
<b>Profit before tax</b>	<b>7.89</b>	<b>832.82</b>
Total tax expense	2.73	267.14
<b>Profit after tax</b>	<b>5.16</b>	<b>565.68</b>

- (b) 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 year ended December 31, 2015.
- (c) Rs. 126.09 lakhs for the 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'.
- (d) 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 year ended December 31, 2015.
- (e) 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 year ended December 31, 2015
- (f) The consequent tax expense of above 'Exceptional items' amounting to Rs. 1,326.35 lakhs for the quarter and period ended September 30, 2015 and Rs. 630.18 lakhs for the year ended December 31, 2015, is included in the 'Current tax'.
- 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 fulfillment 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 June 30, 2016, the management has re-assessed the investment value at SGD 3.46 million (Rs. 1,688.76 lakhs) which represents the consideration assessed as probable to be paid over the period and the goodwill arising on acquisition is SGD 4.17 million (Rs. 2,034.69 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 fulfillment 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 period ended September 30, 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 Board of Directors of the Company at its meeting held on September 14, 2016 has approved the buy-back of the Company's fully paid-up equity shares up to 3,000,000 of face value of Re. 1/- each from its existing shareholders 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 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 1,950 lakhs. Pursuant to above buy back offer, the Company has deposited Rs. 500 lakhs in an escrow account with a bank.
- 7 The Board of Directors of the Company by passing resolution through circulation on September 02, 2016 has approved the setting up of a new business unit in 'Special Economic Zone' (SEZ) measuring approx. 15,000 sq. ft. located at Greater Noida West (NCR). Subsequent to the quarter end, the Company has received approval from Department of Commerce, Ministry of Commerce & Industry, Government of India on October 19, 2016 for the aforesaid unit in SEZ.
- 8 Refer Annexure A for segment wise consolidated 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

Place : NOIDA  
Date : October 26, 2016Sd/-  
Lt. Gen. Baldev Singh (Retd.)  
[President & Senior Executive Director]  
[DIN: 00006966]

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

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Nine Month Ended		Year Ended
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.12.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment revenue</b>						
	- Information technology services and products	13,302.64	13,835.57	13,250.80	40,334.48	42,135.46	55,642.74
	- Business process outsourcing services	1,155.84	1,097.03	1,096.17	3,291.17	3,924.03	5,041.88
	<b>Total</b>	<b>14,458.48</b>	<b>14,932.60</b>	<b>14,346.97</b>	<b>43,625.65</b>	<b>46,059.49</b>	<b>60,684.62</b>
	Less: Elimination of intersegment sales	47.17	47.27	46.07	142.12	134.74	181.43
	<b>Income from operations</b>	<b>14,411.31</b>	<b>14,885.33</b>	<b>14,300.90</b>	<b>43,483.53</b>	<b>45,924.75</b>	<b>60,503.19</b>
<b>2</b>	<b>Segment results before tax, interest and exceptional items</b>						
	- Information technology services and products	1,597.48	2,067.94	1,604.09	4,859.49	5,266.76	6,768.49
	- Business process outsourcing services	76.92	175.94	68.44	367.73	87.45	188.89
	<b>Total</b>	<b>1,674.40</b>	<b>2,243.88</b>	<b>1,672.53</b>	<b>5,227.22</b>	<b>5,354.21</b>	<b>6,957.38</b>
	(i) Interest expense	(3.35)	(3.17)	(2.96)	(9.55)	(7.91)	(22.94)
	(ii) Interest income	128.17	126.73	155.60	374.98	358.25	463.21
	(iii) Other unallocable income	16.00	16.00	14.80	48.00	32.54	48.54
	(iv) Exceptional items (refer note 3)	-	-	5,661.42	-	5,661.42	6,031.01
	(v) Other unallocable expenses	(177.57)	(173.94)	(183.51)	(531.60)	(546.77)	(727.93)
	<b>Profit before tax</b>	<b>1,637.65</b>	<b>2,209.50</b>	<b>7,317.88</b>	<b>5,109.05</b>	<b>10,851.74</b>	<b>12,749.27</b>
<b>3</b>	<b>Capital employed</b>						
<b>a</b>	<b>Segment assets</b>						
	- Information technology services and products	21,600.07	21,223.92	19,089.74	21,600.07	19,089.74	20,104.60
	- Business process outsourcing services	2,569.03	2,650.91	3,367.12	2,569.03	3,367.12	3,002.19
	- Inter segment assets elimination	(687.60)	(553.90)	(869.31)	(687.60)	(869.31)	(295.29)
	- Unallocated corporate assets	15,038.82	14,655.88	13,754.10	15,038.82	13,754.10	12,740.96
	<b>Total segment assets (A)</b>	<b>38,520.32</b>	<b>37,976.81</b>	<b>35,341.65</b>	<b>38,520.32</b>	<b>35,341.65</b>	<b>35,552.46</b>
<b>b</b>	<b>Segment liabilities</b>						
	- Information technology services and products	8,100.01	8,051.29	8,384.39	8,100.01	8,384.39	8,876.54
	- Business process outsourcing services	1,138.43	916.27	1,387.44	1,138.43	1,387.44	644.13
	- Inter segment liabilities eliminator	(687.60)	(553.90)	(869.31)	(687.60)	(869.31)	(295.29)
	- Unallocated corporate liabilities	1,826.91	2,297.77	4,419.03	1,826.91	4,419.03	2,041.43
	<b>Total segment liabilities (B)</b>	<b>10,377.75</b>	<b>10,711.43</b>	<b>13,321.55</b>	<b>10,377.75</b>	<b>13,321.55</b>	<b>11,266.81</b>
	<b>Capital employed (A- B)</b>	<b>28,142.57</b>	<b>27,265.38</b>	<b>22,020.10</b>	<b>28,142.57</b>	<b>22,020.10</b>	<b>24,285.65</b>

**R SYSTEMS INTERNATIONAL LIMITED**

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Statement of Standalone Audited Results for the Quarter and Nine Month Ended September 30, 2016

		(Rs. in lakhs, except per share data)					
S.No.	Particulars	Three Months Ended			Nine Month Ended		Year Ended
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.12.2015
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from operations</b>						
(a)	Income from operations	6,546.78	6,500.48	6,262.45	19,434.51	22,773.31	28,925.98
(b)	Other operating income	236.81	86.82	12.36	467.41	325.03	453.04
	<b>Total income from operations</b>	<b>6,783.59</b>	<b>6,587.30</b>	<b>6,274.81</b>	<b>19,901.92</b>	<b>23,098.34</b>	<b>29,379.02</b>
<b>2</b>	<b>Expenses</b>						
(a)	Employee benefits expense	4,216.98	4,002.49	3,749.27	12,082.56	13,502.64	17,346.10
(b)	Depreciation and amortisation expense	182.03	164.66	186.79	521.03	776.85	958.12
(c)	Travelling and conveyance	345.70	354.49	507.69	1,146.39	1,950.42	2,386.40
(d)	Communication costs	140.65	146.01	145.23	397.32	440.03	554.88
(e)	Legal and professional expenses (including subcontract expenses)	149.72	145.52	170.16	388.56	660.65	860.53
(f)	Provision for doubtful debts and advances (net)	(50.61)	75.24	(3.00)	21.81	17.72	23.89
(g)	Other expenses	485.62	495.60	544.81	1,438.02	1,877.98	2,416.77
	<b>Total expenses</b>	<b>5,470.09</b>	<b>5,384.01</b>	<b>5,300.95</b>	<b>15,995.69</b>	<b>19,226.29</b>	<b>24,546.69</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,313.50</b>	<b>1,203.29</b>	<b>973.86</b>	<b>3,906.23</b>	<b>3,872.05</b>	<b>4,832.33</b>
<b>4</b>	<b>Other income</b>	<b>143.55</b>	<b>142.12</b>	<b>169.82</b>	<b>421.27</b>	<b>389.29</b>	<b>509.31</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,457.05</b>	<b>1,345.41</b>	<b>1,143.68</b>	<b>4,327.50</b>	<b>4,261.34</b>	<b>5,341.64</b>
<b>6</b>	<b>Finance costs</b>	<b>15.43</b>	<b>6.85</b>	<b>8.99</b>	<b>29.14</b>	<b>26.48</b>	<b>42.76</b>
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>1,441.62</b>	<b>1,338.56</b>	<b>1,134.69</b>	<b>4,298.36</b>	<b>4,234.86</b>	<b>5,298.88</b>
<b>8</b>	<b>Exceptional items (refer note 3)</b>	<b>-</b>	<b>-</b>	<b>5,644.35</b>	<b>-</b>	<b>5,644.35</b>	<b>6,480.74</b>
<b>9</b>	<b>Profit from ordinary activities before tax (7+8)</b>	<b>1,441.62</b>	<b>1,338.56</b>	<b>6,779.04</b>	<b>4,298.36</b>	<b>9,879.21</b>	<b>11,779.62</b>
<b>10</b>	<b>Tax expense</b>						
	Current tax expense [refer note 3 (e)]	521.50	535.00	1,750.55	1,613.88	2,980.54	2,628.20
	Deferred tax charge / (credit)	(8.92)	(65.55)	143.52	(85.47)	(16.28)	87.02
	<b>Total tax expense</b>	<b>512.58</b>	<b>469.45</b>	<b>1,894.07</b>	<b>1,528.41</b>	<b>2,964.26</b>	<b>2,715.22</b>
<b>11</b>	<b>Net profit from ordinary activities after tax (9-10)</b>	<b>929.04</b>	<b>869.11</b>	<b>4,884.97</b>	<b>2,769.95</b>	<b>6,914.95</b>	<b>9,064.40</b>
<b>12</b>	<b>Extraordinary items (net of tax expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Net profit for the period / year (11-12)</b>	<b>929.04</b>	<b>869.11</b>	<b>4,884.97</b>	<b>2,769.95</b>	<b>6,914.95</b>	<b>9,064.40</b>
<b>14</b>	<b>Paid - up equity share capital (Face value Re. 1/- each)</b>	<b>1,261.31</b>	<b>1,261.31</b>	<b>1,261.31</b>	<b>1,261.31</b>	<b>1,261.31</b>	<b>1,261.31</b>
<b>15</b>	<b>Reserves excluding Revaluation Reserves as at December 31, 2015</b>						<b>18,575.93</b>
<b>16.i</b>	<b>Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)</b>						
(a)	Basic	0.73	0.69	3.85	2.18	5.44	7.14
(b)	Diluted	0.73	0.68	3.85	2.18	5.44	7.14
<b>16.ii</b>	<b>Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)</b>						
(a)	Basic	0.73	0.69	3.85	2.18	5.44	7.14
(b)	Diluted	0.73	0.68	3.85	2.18	5.44	7.14

See accompanying notes to the financial results.

**Notes:**

- 1 The results for the quarter and nine months ended September 30, 2016 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on October 26, 2016.
- 2 An audit has been completed by the Statutory Auditors for the quarter and nine months ended September 30, 2016 and September 30, 2015, quarter ended June 30, 2016 and year ended 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 also entered into 'Share Purchase Agreement' (SPA) with BD Capital Partners Ltd. ("BDC"), a Mauritius based company on June 27, 2015 to sell 93% of its equity share in RSPTPL to BDC for a consideration of Rs. 4,431.70 lakhs (USD 7 million). Subject to the satisfaction of certain conditions, BDC has also agreed to purchase the balance 7% equity shares for a consideration up to Rs. 666.15 lakhs (USD 1 million). These conditions though have been completed during the quarter ended March 31, 2016, the Company is yet to receive the consideration pending certain modalities. Accordingly, it has not recorded the sale of balance 7% equity shares. The closing (as defined in the agreements) under the BTA and SPA occurred on July 07, 2015.  
 The gain on sale of Indus Business Unit amounting to Rs. 5,357.13 lakhs (net of related expenses) and gain on sale of aforesaid equity share in RSPTPL amounting to Rs. 287.22 lakhs (net of related expenses) is disclosed as 'Exceptional items' in the financial results for the quarter and period ended September 30, 2015 and year ended December 31, 2015. The name of RSPTPL was changed to Indus Software Technologies Private Limited w.e.f August 19, 2015.  
 Accordingly, the aforesaid Indus Business Unit, being part of Information technology services and products segment, is considered as "Discontinuing Operations" till July 07, 2015. The revenue and expenses attributable to the said operations included in the financial results are as follows:
- | Particulars              | (Rs. in lakhs)   |  |
|--------------------------|--|--|
|                          | Three Months Ended<br>30.09.2015<br>(01.07.15<br>to<br>07.07.15) | Year Ended<br>31.12.15<br>(01.01.15<br>to<br>07.07.15) |
| Total income             | 225.12   | 5,764.71   |
| Total expenses           | 217.23   | 4,931.89   |
| <b>Profit before tax</b> | <b>7.89</b>  | <b>832.82</b>  |
| Total tax expense        | 2.73   | 267.14   |
| <b>Profit after tax</b>  | <b>5.16</b>  | <b>565.68</b>  |
- (b) 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 year ended December 31, 2015.
- (c) Rs. 126.09 lakhs for the 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'.
- (d) 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 year ended December 31, 2015.
- (e) The consequent tax expense of above 'Exceptional items' amounting to Rs. 1,326.35 lakhs for the quarter and period ended September 30, 2015 and Rs. 630.18 lakhs for the year ended December 31, 2015, is included in the 'Current tax'.
- 4 The Board of Directors of the Company at its meeting held on September 14, 2016 has approved the buy-back of the Company's fully paid-up equity shares up to 3,000,000 of face value of Re. 1/- each from its existing shareholders 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 at a price of Rs. 65/- per equity share, payable in cash for a total consideration not exceeding Rs. 1,950 lakhs. Pursuant to above buy back offer, the Company has deposited Rs. 500 lakhs in an escrow account with a bank.
- 5 The Board of Directors of the Company by passing resolution through circulation on September 02, 2016 has approved the setting up of a new business unit in 'Special Economic Zone' (SEZ) measuring approx. 15,000 sq. ft. located at Greater Noida West (NCR). Subsequent to the quarter end, the Company has received approval from Department of Commerce, Ministry of Commerce & Industry, Government of India on October 19, 2016 for the aforesaid unit in SEZ.
- 6 Refer Annexure A for segment wise standalone revenue, results, assets and liabilities.
- 7 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 : October 26, 2016Sd/-  
Lt. Gen. Baldev Singh (Retd.)  
[President & Senior Executive Director]  
[DIN: 00006966]

## R SYSTEMS INTERNATIONAL LIMITED

## Segment Wise Standalone Revenue, Results , Assets and Liabilities

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Nine Month Ended		Year Ended
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.12.2015
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	<b>Segment revenue</b>						
	- Information technology services and products	5,390.94	5,403.45	5,237.93	16,143.34	19,733.22	24,823.07
	- Business process outsourcing services	1,155.84	1,097.03	1,024.52	3,291.17	3,040.09	4,102.91
	<b>Income from operations</b>	<b>6,546.78</b>	<b>6,500.48</b>	<b>6,262.45</b>	<b>19,434.51</b>	<b>22,773.31</b>	<b>28,925.98</b>
2	<b>Segment results before tax, interest and exceptional items</b>						
	- Information technology services and products	1,375.30	1,172.23	962.74	3,969.58	3,921.51	4,882.88
	- Business process outsourcing services	76.92	175.94	146.66	367.73	390.70	487.33
	<b>Total</b>	<b>1,452.22</b>	<b>1,348.17</b>	<b>1,109.40</b>	<b>4,337.31</b>	<b>4,312.21</b>	<b>5,370.21</b>
	(i) Interest expense	(3.33)	(3.09)	(2.35)	(9.33)	(6.64)	(21.26)
	(ii) Interest income	127.55	126.12	155.03	373.27	356.75	460.77
	(iii) Other unallocable income	16.00	16.00	14.80	48.00	32.54	48.54
	(iv) Exceptional Items (refer note 3)	-	-	5,644.35	-	5,644.35	6,480.74
	(v) Other unallocable expenses	(150.82)	(148.64)	(142.19)	(450.89)	(460.00)	(559.38)
	<b>Profit before tax</b>	<b>1,441.62</b>	<b>1,338.56</b>	<b>6,779.04</b>	<b>4,298.36</b>	<b>9,879.21</b>	<b>11,779.62</b>
3	<b>Capital employed</b>						
a	<b>Segment assets</b>						
	- Information technology services and products	8,688.52	8,271.44	7,841.31	8,688.52	7,841.31	7,506.33
	- Business process outsourcing services	1,101.11	1,182.99	1,085.07	1,101.11	1,085.07	1,534.27
	- Inter segment assets elimination	(671.93)	(522.13)	(784.63)	(671.93)	(784.63)	(248.61)
	- Unallocated corporate assets	18,670.28	17,774.00	15,647.11	18,670.28	15,647.11	16,188.42
	<b>Total segment assets (A)</b>	<b>27,787.98</b>	<b>26,706.30</b>	<b>23,788.86</b>	<b>27,787.98</b>	<b>23,788.86</b>	<b>24,980.41</b>
b	<b>Segment liabilities</b>						
	- Information technology services and products	3,910.26	3,819.85	3,929.61	3,910.26	3,929.61	4,081.61
	- Business process outsourcing services	1,138.43	916.27	1,126.97	1,138.43	1,126.97	644.13
	- Inter segment liabilities elimination	(671.93)	(522.13)	(784.63)	(671.93)	(784.63)	(248.61)
	- Unallocated corporate liabilities	787.86	807.71	1,829.12	787.86	1,829.12	666.04
	<b>Total segment liabilities (B)</b>	<b>5,164.62</b>	<b>5,021.70</b>	<b>6,101.07</b>	<b>5,164.62</b>	<b>6,101.07</b>	<b>5,143.17</b>
	<b>Capital employed (A- B)</b>	<b>22,623.36</b>	<b>21,684.60</b>	<b>17,687.79</b>	<b>22,623.36</b>	<b>17,687.79</b>	<b>19,837.24</b>