

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

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Statement of Consolidated Audited Financial Results for the Year Ended December 31, 2018

(Rs. in million, except per share data)

S.No.	Particulars (Refer notes)	Three months ended			Year ended	
		31.12.2018 (Audited) Refer note 9	30.09.2018 (Unaudited)	31.12.2017* (Audited) Refer note 9	31.12.2018 (Audited)	31.12.2017* (Audited)
1	Income					
(a)	Revenue from operations	1,924.53	1,863.95	1,555.23	6,998.89	5,926.38
(b)	Other income	178.78	(16.03)	51.12	192.49	161.87
	Total income	2,103.31	1,847.92	1,606.35	7,191.38	6,088.25
2	Expenses					
(a)	Employee benefits expense	1,278.96	1,225.28	1,084.03	4,743.85	4,173.15
(b)	Finance costs	0.58	0.71	0.13	2.65	3.98
(c)	Depreciation and amortisation expense	34.53	34.44	34.61	135.48	134.80
(d)	Other expenses	464.77	433.20	377.44	1,682.58	1,422.88
	Total expenses	1,778.84	1,693.63	1,496.21	6,564.56	5,734.81
3	Profit before tax	324.47	154.29	110.14	626.82	353.44
4	Tax expense					
(a)	Current tax	36.08	45.59	38.89	124.22	149.89
(b)	MAT credit entitlement	-	-	-	-	(5.84)
(c)	Deferred tax charge / (credit)	28.43	(16.67)	0.12	(7.85)	(15.95)
	Total tax expense	64.51	28.92	39.01	116.37	128.10
5	Net profit for the period / year	259.96	125.37	71.13	510.45	225.34
6	Other comprehensive income / (loss)					
	<i>Items that will not be reclassified to profit or loss</i>					
(a)	Remeasurements of the defined benefit plans	(8.13)	3.23	7.21	(0.77)	12.29
(b)	Deferred tax relating to remeasurements of the defined benefit plans	2.84	(1.13)	(2.49)	0.27	(4.25)
	<i>Items that will be reclassified to profit or loss</i>					
(a)	Foreign Currency Translation reserve	(54.44)	80.48	(19.04)	94.05	(14.44)
	Total Other comprehensive income / (loss)	(59.73)	82.58	(14.32)	93.55	(6.40)
7	Total comprehensive income for the period / year (5+6)	200.23	207.95	56.81	604.00	218.94
8	Profit attributable to					
	Equity shareholders to the company	259.96	125.37	71.13	510.45	225.34
	Non controlling interest	-	-	-	-	-
		259.96	125.37	71.13	510.45	225.34
9	Total comprehensive income attributable to					
	Equity shareholders to the company	200.23	207.95	56.81	604.00	218.94
	Non controlling interest	-	-	-	-	-
		200.23	207.95	56.81	604.00	218.94
10	Earnings per share (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	2.11	1.02	0.58	4.14	1.83
(b)	Diluted	2.11	1.02	0.58	4.14	1.83

* refer note 2

See accompanying notes to the financial results

Notes:

- The financial results for the quarter and year ended December 31, 2018 were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on February 08, 2019.
- An audit has been completed by the Statutory Auditors for the year ended December 31, 2018 and 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 scheme of amalgamation between R Systems International Limited (the Company) and GM Solution Private Limited (the "Transferor Company") (hereinafter called 'the Scheme'), was approved by the National Company Law Tribunal, New Delhi Bench vide order dated December 07, 2018. The Scheme envisages transfer of all rights and obligations, assets and liabilities, interests and claims of the Transferor Company to the Company with effect from the appointed date i.e. January 1, 2018.

The aforesaid Scheme has been accounted under 'common control' method in accordance Ind AS 103 "Business Combinations" and correspondingly all assets, liabilities and reserves of the Transferor Company have been accounted for at their respective book value in the books of the Company effective January 01, 2017. Accordingly, the results for the quarter ended September 30, 2018 and quarter and year ended December 31, 2017, have been restated to give effect the Scheme. Consequent to this restatement, the profit after tax for the quarter ended September 30, 2018 and quarter and year ended December 31, 2017 is lower by INR 0.32 million, INR 2.06 million, INR 3.88 million respectively.

- The Company has received approval from Department of Commerce, Ministry of Commerce & Industry, Government of India on November 20, 2018 for expansion of existing 'Special Economic Zone' (SEZ) unit located at Greater Noida West (NCR) for an addition of approx. 28,000 sq. ft.
- The Board of Directors of the Company at its meeting held on January 15, 2019 has approved the Buyback up to 3,690,000 fully paid up equity shares of the Company of face value of Re. 1/- each from its existing shareholders as on Record Date (i.e. February 01, 2019) 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, 2018 at a price of Rs. 65/- per equity share, payable in cash for a total amount not exceeding Rs. 239.85 million.

- Subsequent to the year ended December 31, 2018, R Systems, Inc. (a wholly owned subsidiary of the Company) has completed the acquisition of 100% interest in Innovizant LLC, (Innovizant), a Chicago (USA) based company engaged in providing IT Services focused on advanced analytics, data engineering, and digital connected systems.

7 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 ended December 31, 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) Impact of merger of GM Solutions Private Limited with the Company	(viii)	13.80	9.92
(g) Others (including deferred tax impact)	(ix)	0.02	(0.41)
Equity as per Ind AS		2,486.09	2,708.66

(B) Total comprehensive income reconciliation

Particulars	Notes	(Rs. in million)	
		Quarter ended December 31, 2017	Year ended December 31, 2017
Net Profit for the period / year under IGAAP		81.24	244.81
(a) Effect of inclusion of Employees Welfare Trust	(i)	0.12	0.48
(b) Impact of fair valuation of investments in mutual funds	(ii)	0.77	1.31
(c) Impact of security deposits measured at amortised cost	(iii)	(0.04)	(0.14)
(d) Expected Credit Loss provision for trade receivables and other financial assets	(iv)	(0.13)	0.02
(e) Actuarial gain on employee defined benefit plan recognised in Other	(v)	(7.21)	(12.29)
(f) Impact of amortization of intangible recognised on business combination	(vi)	(3.83)	(15.13)
(g) Impact of merger of GM Solutions Private Limited with the Company	(vii)	(2.06)	(3.88)
(h) Impact of change in liability towards contingent consideration	(vii)	0.02	6.36
(i) Other adjustments		(0.01)	(0.03)
(j) Deferred tax impact on above adjustments	(ix)	2.26	3.83
Net Profit for the period / year under Ind AS		71.13	225.34
(k) Other comprehensive income (net of tax)		(14.32)	(6.40)
Total comprehensive income under Ind AS		56.81	218.94

(C) Explanation for reconciliation of total comprehensive income:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) Merger of GM Solutions Private Limited and the Company has been accounted for with effect from January 01, 2017. (Refer to Note 3 above)

(ix) 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 statement of profit and loss or other comprehensive income.

8 Pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007, the Company had issued 37,500 and 82,500 equity shares of Re. 1/- each for the year ended December 31, 2018 and December 31, 2017, respectively.

9 Figures for the quarter ended December 31, 2018 and December 31, 2017 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.

10 Refer Annexure A for the consolidated balance sheet.

11 Refer to Annexure B for consolidated segment information.

12 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

Sd/-

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

Place : NOIDA

Date : February 08, 2019

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Balance Sheet as at December 31, 2018

(Rs. in million)

	Particulars	As at December 31, 2018	As at December 31, 2017 *	As at January 01, 2017 *
		(Audited)	(Audited)	(Audited)
	ASSETS			
A.	Non-current assets			
	(a) Property, plant and equipment	306.91	300.38	289.52
	(b) Capital work in progress	16.18	0.58	26.29
	(c) Investment property	23.31	24.78	26.25
	(d) Goodwill	89.93	84.05	82.35
	(e) Other Intangible assets	27.64	52.82	82.40
	(f) Financial assets			
	(i) Investment	0.03	87.58	175.15
	(ii) Other financial assets	102.92	84.79	83.96
	(g) Deferred tax assets (net)	67.46	58.51	46.16
	(h) Non-current tax assets	56.95	39.99	34.83
	(i) Other non-current assets	50.10	12.55	31.11
		741.43	746.03	878.02
B.	Current assets			
	(a) Financial assets			
	(i) Investments	199.50	136.88	87.57
	(ii) Trade receivables	1,365.45	1,207.64	1,081.78
	(iii) Cash and cash equivalents	841.17	929.02	1,147.76
	(iv) Other balances with banks	518.70	581.61	14.58
	(v) Other financial assets	618.32	194.61	212.36
	(b) Other current assets	150.10	119.82	114.17
		3,693.24	3,169.58	2,658.22
	Total assets (A+B)	4,434.67	3,915.61	3,536.24
	EQUITY AND LIABILITIES			
A.	Equity			
	(a) Equity share capital	123.25	123.21	123.13
	(b) Other equity	3,105.78	2,585.45	2,362.96
	(C) Non controlling interest	-	-	-
	Total equity (A)	3,229.03	2,708.66	2,486.09
	Liabilities			
B.	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15.91	15.85	19.15
	(ii) Other financial liabilities	2.96	2.23	53.59
	(b) Provisions	109.60	91.18	89.42
	(c) Deferred tax liabilities (net)	0.25	0.26	-
	(d) Other non-current liabilities	0.04	0.29	0.58
		128.76	109.81	162.74
C.	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	270.02	340.05	296.89
	(ii) Other financial liabilities	212.81	185.26	183.97
	(b) Provisions	142.63	139.57	116.13
	(c) Current tax liability (Net)	52.01	47.40	58.94
	(d) Other current liabilities	399.41	384.86	231.48
		1,076.88	1,097.14	887.41
	Total liabilities (B+C)	1,205.64	1,206.95	1,050.15
	Total equity and liabilities (A+B+C)	4,434.67	3,915.61	3,536.24

* refer note 2

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Segment Information

Annexure B

		(Rs. in million)				
S.No.	Particulars	Three months ended			Year ended	
		31.12.2018	30.09.2018	31.12.2017*	31.12.2018	31.12.2017*
		(Audited) Refer note 9	(Unaudited)	(Audited) Refer note 9	(Audited)	(Audited)
1	Segment revenue					
	- Information technology services	1,729.68	1,654.75	1,426.86	6,286.48	5,461.70
	- Business process outsourcing services	200.88	215.17	133.82	735.59	484.23
	Total	1,930.56	1,869.92	1,560.68	7,022.07	5,945.93
	Less: Elimination of intersegment sales	6.03	5.97	5.45	23.18	19.55
	Revenue from operations	1,924.53	1,863.95	1,555.23	6,998.89	5,926.38
2	Segment results before tax, interest and exceptional items					
	- Information technology services	291.95	105.42	96.16	528.52	321.10
	- Business process outsourcing services	37.28	51.50	8.55	108.83	38.26
	Total	329.23	156.92	104.71	637.35	359.36
	(i) Finance costs	(0.58)	(0.71)	(0.13)	(2.65)	(3.98)
	(ii) Interest income	16.00	14.17	21.20	64.06	61.10
	(iii) Other unallocable income	5.40	5.14	2.48	16.98	8.16
	(iv) Other unallocable expenses	(25.58)	(21.23)	(18.12)	(88.92)	(71.20)
	Profit before tax	324.47	154.29	110.14	626.82	353.44

* 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.

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Statement of Standalone Audited Financial Results for the quarter and year ended December 31, 2018

(Rs. in million, except per share data)						
S.No.	Particulars (Refer notes)	Three months ended			Year ended	
		31.12.2018 (Audited) Refer Note 8	30.09.2018 (Audited)	31.12.2017* (Audited) Refer Note 8	31.12.2018 (Audited)	31.12.2017* (Audited)
1	Income					
(a)	Revenue from operations	879.29	852.46	676.26	3,172.13	2,637.53
(b)	Other income	81.41	(12.91)	44.48	87.28	136.76
	Total income	960.70	839.55	720.74	3,259.41	2,774.29
2	Expenses					
(a)	Employee benefits expense	579.00	558.26	467.38	2,169.18	1,868.36
(b)	Finance costs	0.52	0.50	(0.07)	2.32	3.65
(c)	Depreciation and amortisation expense	18.61	18.22	19.06	73.01	73.74
(d)	Other expenses	162.44	151.00	122.23	609.46	486.05
	Total expenses	760.57	727.98	608.60	2,853.97	2,431.80
3	Profit before tax	200.13	111.57	112.14	405.44	342.49
4	Tax expense					
(a)	Current tax	30.67	33.57	36.27	99.35	133.41
(b)	MAT credit entitlement	-	-	-	-	(5.84)
(c)	Deferred tax charge / (credit)	37.96	(17.82)	(5.24)	(4.05)	(13.16)
	Total tax expense	68.63	15.75	31.03	95.30	114.41
5	Net profit for the period / year	131.50	95.82	81.11	310.14	228.08
6	Other comprehensive income/(loss) <i>Items that will not be reclassified to profit or loss</i>					
(a)	Remeasurements of the defined benefit plans	(8.13)	3.22	7.21	(0.77)	12.29
(b)	Deferred tax relating to remeasurements of the defined benefit plans	2.84	(1.12)	(2.49)	0.27	(4.25)
	Total Other comprehensive income/(loss)	(5.29)	2.10	4.72	(0.50)	8.04
7	Total comprehensive income for the period / year (5+6)	126.21	97.92	85.83	309.64	236.12
8	Earnings per share (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.07	0.78	0.64	2.52	1.85
(b)	Diluted	1.07	0.78	0.64	2.52	1.85
* refer note 2						
See accompanying notes to the financial results						

Notes:

- 1 The financial results for the quarter and year ended December 31, 2018 were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on February 08, 2019.
- 2 An audit has been completed by the Statutory Auditors for the quarter and year ended December 31, 2018 and December 31, 2017 and quarter ended September 30, 2018. 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.
- 3 The scheme of amalgamation between R Systems International Limited (the Company) and GM Solution Private Limited (the "Transferor Company") (hereinafter called 'the Scheme'), was approved by the National Company Law Tribunal, New Delhi Bench vide order dated December 07, 2018. The Scheme envisages transfer of all rights and obligations, assets and liabilities, interests and claims of the Transferor Company to the Company with effect from the appointed date i.e. January 1, 2018.

The aforesaid Scheme has been accounted under 'common control' method in accordance Ind AS 103 "Business Combinations" and correspondingly all assets, liabilities and reserves of the Transferor Company have been accounted for at their respective book value in the books of the Company effective January 01, 2017. Accordingly, the results for the quarter ended September 30, 2018 and quarter and year ended December 31, 2017, have been restated to give effect to the Scheme. Consequent to this restatement, the profit after tax for the quarter ended September 30, 2018 and quarter and year ended December 31, 2017 is lower by INR 0.32 million, INR 2.06 million, INR 3.88 million respectively.

- 4 The Company has received approval from Department of Commerce, Ministry of Commerce & Industry, Government of India on November 20, 2018 for expansion of existing 'Special Economic Zone' (SEZ) unit located at Greater Noida West (NCR) for an addition of approx. 28,000 sq. ft.
- 5 The Board of Directors of the Company at its meeting held on January 15, 2019 has approved the Buyback up to 3,690,000 fully paid up equity shares of the Company of face value of Re. 1/- each from its existing shareholders as on Record Date (i.e. February 01, 2019) 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, 2018 at a price of Rs. 65/- per equity share, payable in cash for a total amount not exceeding Rs. 239.85 million.

6 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 ended December 31, 2017
- total comprehensive income for the year ended December 31, 2017

(A) Equity reconciliation**(Rs. In million)**

Particulars	Notes	As at	
		January 01, 2017	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) Impact of merger of GM Solutions Private Limited with the Company	(vi)	13.80	9.92
(e) Others (including deferred tax impact)	(vii)	0.02	(0.41)
Equity as per Ind AS		2,229.77	2,469.52

(B) Total comprehensive income reconciliation

Particulars	Notes	(Rs. In million)	
		Quarter ended December 31, 2017	Year ended December 31, 2017
Net profit for the period / year under IGAAP		87.31	238.83
(a) Effect of inclusion of Employees Welfare Trust	(i)	0.12	0.48
(b) Impact of fair valuation of investments in mutual funds	(ii)	0.77	1.31
(c) Impact of security deposits measured at amortised cost	(iii)	(0.04)	(0.14)
(d) Expected Credit Loss provision for trade receivables and other financial assets	(iv)	(0.03)	(0.03)
(e) Actuarial gain on employee defined benefit plan recognised in Other Comprehensive Income	(v)	(7.21)	(12.29)
(f) Impact of merger of GM Solutions Private Limited with the Company	(vi)	(2.06)	(3.88)
(g) Other adjustments		(0.01)	(0.03)
(h) Deferred tax impact on above adjustments	(vii)	2.26	3.83
Net Profit for the period / year under Ind AS		81.11	228.08
(h) Other comprehensive income (net of tax)	(v)	4.72	8.04
Total comprehensive income under Ind AS		85.83	236.12

(C) Explanation for reconciliation of total comprehensive income:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) Merger of GM Solutions Private Limited and the Company has been accounted for with effect from January 01, 2017. (Refer to Note 3 above)

(vii) 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 statement of profit and loss or other comprehensive income.

7 Pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007, the Company had issued 37,500 and 82,500 equity shares of Re. 1/- each for the year ended December 31, 2018 and December 31, 2017, respectively.

8 Figures for the quarter ended December 31, 2018 and December 31, 2017 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.

9 Refer Annexure A for the standalone balance sheet.

10 Refer to Annexure B for segment information.

11 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

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

Place : NOIDA

Date : February 08, 2019

R SYSTEMS INTERNATIONAL LIMITED
Standalone Balance Sheet as at December 31, 2018

(Rs. in million)

	Particulars	As at December 31, 2018 (Audited)	As at December 31, 2017* (Audited)	As at January 01, 2017* (Audited)
	ASSETS			
A.	Non-current assets			
	(a) Property, plant and equipment	248.27	258.45	246.39
	(b) Capital work in progress	15.73	-	26.29
	(c) Investment property	23.31	24.78	26.25
	(d) Other Intangible assets	1.69	4.44	5.42
	(e) Financial assets			
	(i) Investment	995.39	1,029.80	1,100.64
	(ii) Other financial assets	65.59	58.06	64.39
	(f) Deferred tax assets (net)	56.90	58.42	43.67
	(g) Non-current tax assets	24.54	22.51	28.96
	(h) Other non-current assets	47.96	12.44	30.76
		1,479.38	1,468.90	1,572.77
B.	Current assets			
	(a) Financial assets			
	(i) Investments	199.50	136.88	87.57
	(ii) Trade receivables	621.13	569.19	500.77
	(iii) Cash and cash equivalents	300.19	348.68	406.60
	(iv) Other balances with banks	175.05	391.64	14.58
	(v) Other financial assets	494.85	96.33	106.39
	(b) Other current assets	99.72	75.51	58.43
		1,890.44	1,618.23	1,174.34
	Total assets (A+B)	3,369.82	3,087.13	2,747.11
	EQUITY AND LIABILITIES			
A.	Equity			
	(a) Equity share capital	123.25	123.21	123.13
	(b) Other equity	2,572.28	2,346.31	2,106.64
	Total equity (A)	2,695.53	2,469.52	2,229.77
	Liabilities			
B.	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15.91	15.85	19.15
	(ii) Other financial liabilities	2.96	2.23	9.59
	(b) Provisions	109.60	91.18	89.42
		128.47	109.26	118.16
C.	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	46.73	43.32	47.77
	(ii) Other financial liabilities	150.49	136.89	145.92
	(b) Provisions	85.69	86.23	78.09
	(c) Current tax liability (Net)	18.35	36.19	42.56
	(d) Other current liabilities	244.56	205.72	84.84
		545.82	508.35	399.18
	Total liabilities (B+C)	674.29	617.61	517.34
	Total equity and liabilities (A+B+C)	3,369.82	3,087.13	2,747.11

* refer note 2

R SYSTEMS INTERNATIONAL LIMITED
Standalone Segment Information

(Rs. in million)

S.No.	Particulars	Three months ended			Year Ended	
		31.12.2018	30.09.2018	31.12.2017*	31.12.2018	31.12.2017*
		(Audited) Refer Note 8	(Audited)	(Audited) Refer Note 8	(Audited)	(Audited)
1	Segment revenue					
	- Information technology services	678.41	637.29	542.44	2,436.54	2,153.30
	- Business process outsourcing services	200.88	215.17	133.82	735.59	484.23
	Revenue from operations	879.29	852.46	676.26	3,172.13	2,637.53
2	Segment results before tax, interest and exceptional items					
	- Information technology services	163.86	61.36	92.71	299.28	297.79
	- Business process outsourcing services	37.28	51.50	8.55	108.83	38.26
	Total	201.14	112.86	101.26	408.11	336.05
	(i) Finance costs	(0.52)	(0.50)	0.07	(2.32)	(3.65)
	(ii) Interest income	13.92	12.53	20.81	57.81	60.52
	(iii) Other unallocable income	5.39	5.16	2.48	16.98	8.15
	(iv) Other unallocable expenses	(19.80)	(18.48)	(12.48)	(75.14)	(58.58)
	Profit before tax	200.13	111.57	112.14	405.44	342.49

* 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.