

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

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

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Statement of Consolidated Audited Results for the Year ended December 31, 2015

(Rs. in lakhs, except per share data)

S.No	Particulars (Refer notes)	Three Months Ended			Year Ended	
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014
		(Audited) Refer note 10	(Unaudited)	(Audited) Refer note 10	(Audited)	(Audited)
1	Income from operations					
(a)	Income from operations	14,578.44	14,300.90	16,304.82	60,503.19	64,849.59
(b)	Other operating income	233.03	60.81	47.48	469.53	487.05
	Total income from operations	14,811.47	14,361.71	16,352.30	60,972.72	65,336.64
2	Expenses					
(a)	Employee benefits expense	8,808.10	8,520.87	9,753.47	36,488.03	39,352.21
(b)	Depreciation and amortisation expense (refer note 4)	330.14	268.80	286.11	1,402.34	1,124.53
(c)	Traveling and conveyance	631.90	704.49	926.88	3,406.16	3,477.64
(d)	Communication costs	180.95	199.58	211.15	777.08	874.68
(e)	Legal and professional expenses (including subcontract expenses)	1,753.96	1,535.87	1,888.85	6,451.90	7,227.17
(f)	Provision for doubtful debts and advances (net)	12.92	(5.49)	-	82.15	-
(g)	Other expenses	1,658.32	1,628.20	1,269.43	6,062.67	4,850.88
	Total expenses	13,376.29	12,852.32	14,335.89	54,670.33	56,907.11
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,435.18	1,509.39	2,016.41	6,302.39	8,429.53
4	Other income	120.96	170.39	125.30	511.75	420.21
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,556.14	1,679.78	2,141.71	6,814.14	8,849.74
6	Finance costs	28.20	23.32	42.64	95.88	108.79
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,527.94	1,656.46	2,099.07	6,718.26	8,740.95
8	Exceptional items (refer note 5)	369.59	5,661.42	2,240.25	6,031.01	2,501.10
9	Profit from ordinary activities before tax (7+8)	1,897.53	7,317.88	4,339.32	12,749.27	11,242.05
10	Tax expense					
	Current tax [refer note 5 (g)]	(551.30)	1,977.61	1,154.82	2,900.75	3,252.89
	Deferred tax charge	119.82	140.70	21.16	65.54	175.78
	Total tax expense	(431.48)	2,118.31	1,175.98	2,966.29	3,428.67
11	Net profit from ordinary activities after tax (9-10)	2,329.01	5,199.57	3,163.34	9,782.98	7,813.38
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	2,329.01	5,199.57	3,163.34	9,782.98	7,813.38
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)	2,329.01	5,199.57	3,163.34	9,782.98	7,813.38
17	Paid - up equity share capital (Face value Re. 1/- each) (refer note 6 and 9)	1,261.31	1,261.31	1,267.20	1,261.31	1,267.20
18	Reserves excluding Revaluation Reserves as at December 31, 2015 and December 31, 2014				23,024.34	20,043.32
19.i	Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.84	4.10	2.48	7.70	6.14
(b)	Diluted	1.84	4.10	2.48	7.70	6.14
19.ii	Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.84	4.10	2.48	7.70	6.14
(b)	Diluted	1.84	4.10	2.48	7.70	6.14

See accompanying notes to the financial results.

Notes:

- 1 The results for the quarter and year ended December 31, 2015 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 06, 2016.
- 2 An audit has been completed by the Statutory Auditors for the year ended December 31, 2015 and December 31, 2014. There is no qualification in the Auditors' Report on these financial results.
- 3 During the year ended December 31, 2015, the Board of Directors had declared three interim dividends aggregating to Rs. 3.95 per equity share of face value of Re. 1/- each. These dividends were paid to the shareholders during the year ended December 31, 2015. The shareholder's assent for these interim dividends will be taken in forthcoming Annual General Meeting.
- 4 As at January 01, 2015, the Company, based on technical assessment, reassessed the useful life of tangible assets and accordingly changed the useful lives of certain assets resulting in incremental charge of depreciation. Accordingly, the depreciation charge for the quarter and year ended December 31, 2015 is higher by Rs. 65.91 lakhs and Rs. 322.49 lakhs respectively. The profit after tax for the quarter and year ended December 31, 2015 is lower by Rs. 43.10 lakhs and Rs. 211.52 lakhs respectively. Further, during the quarter ended March 31, 2015, the Company had transferred Rs. 124.55 lakhs (net of tax) to reserves based on the transitional provision under Schedule II of the Companies Act, 2013.
- 5 '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, on the terms and conditions agreed in BTA.
 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. 661.55 lakhs (USD 1 million). These conditions are under evaluation and yet to be concluded as at the quarter and year ended December 31, 2015. The Company will continue to hold the compulsorily redeemable debentures having an aggregate face value of Rs. 3,502.60 lakhs in accordance with the terms of the BTA. 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 ended September 30, 2015 and year ended December 31, 2015. The name of RSPTPL has been 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)	Three Months Ended 31.12.2014	Year Ended 31.12.15 (01.01.15 to 07.07.15)	Year Ended 31.12.14
Total income	225.12	2,208.20	5,764.71	8,413.41
Total expenses	217.23	2,111.61	4,931.89	7,188.35
Profit before tax	7.89	96.59	832.82	1,225.06
Total tax expense	2.73	32.83	267.14	416.40
Profit after tax	5.16	63.76	565.68	808.66

The amount of assets and liabilities attributable to the said operations are as follows:

Particulars	(Rs. in lakhs)	
	As at	
	07.07.2015	31.12.2014
Total assets	5,679.44	3,959.20
Total liabilities	3,253.72	1,922.43
Net assets	2,425.72	2,036.77

- (b) On December 10, 2015, R Systems Solution Inc. (RSSI), a wholly owned subsidiary of the Company has been 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 has received incremental 150 common stock of RSI against outstanding common and preferred (series A) stocks held in RSSI.
 Due to aforesaid merger, the Company has 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.
- (c) 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'.
- (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, to Customer Contact Management Group B.V. ("CCMG") a Europe based company 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) had been placed in an escrow account in the Netherlands, the realisation of which was subject to certain conditions pursuant to the provision of the SSA. The profit on aforesaid transfer of subsidiaries amounting to Rs. 2,240.25 lakhs is disclosed as 'Exceptional items' in the financial results for the quarter and year ended December 31, 2014.
 Further, during the quarter and year ended December 31, 2015, on the stipulated conditions under the SSA being completed, the Company has received Euro 0.35 million (Rs. 266.28 lakhs) which had been 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.
- (e) The Board of Directors at its meeting held on July 07, 2014 had approved the offer of buy-back from Computaris International Limited (a wholly owned subsidiary) of 13,500 shares held by the Company in the said subsidiary at the rate of GBP 111.38 per share amounting to GBP 1.50 million. The aforesaid buy-back proceeds were received by the Company on September 17, 2014. Even after this buy back, Computaris International Limited continues to remain wholly owned subsidiary of the Company.
 On account of this buy-back, the Company had released proportionate currency translation reserve amounting to Rs. 260.85 lakhs to the foreign exchange fluctuation which is disclosed as 'Exceptional items' in the financial results for the year ended December 31, 2014.
- (f) ECnet Limited, a subsidiary of the Company has 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. (696.17) lakhs for the quarter ended December 31, 2015, Rs. 1,326.35 lakhs for the quarter ended September 30, 2015 and Rs. 630.18 lakhs for the year ended December 31, 2015 and Rs. 457.19 lakhs for the quarter ended December 31, 2014 and Rs. 557.31 lakhs for year ended December 31, 2014, is included in the 'Current tax' in the financial results for the respective periods.

- 6 The Company had issued Public Announcement dated December 29, 2014, for buy-back of equity shares of face value of Re. 1/- each from the open market at a price not exceeding Rs. 100 per share for an aggregate amount not exceeding Rs. 600 lakhs. Under the Buy-back offer, the Company has bought back 678,155 equity shares, having nominal value of Rs. 6.78 lakhs, for an aggregate amount of Rs. 595.74 lakhs by utilising the Securities Premium Account to the extent of Rs. 588.96 lakhs and General Reserve, through creation of Capital Redemption Reserve in terms of Section 68 of the Companies Act, 2013, to the extent of aforesaid nominal value. The Company has closed the buy-back offer pursuant to approval by the Board of Directors of the Company at its meeting held on April 23, 2015.
- 7 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. IBIZ is a Microsoft Gold-certified partner specialized in Microsoft Business Management Solution suites, including Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Point of Sales (POS), Mobility, Business Intelligence (BI) and Portals having subsidiaries in Singapore, Malaysia, Indonesia, India, Hong Kong and China.
Basis the conditions specified in the Share Purchase Agreement and subsequent amendment thereof, the management has assessed the investment value at SGD 3.37 million (Rs. 1,577.10 lakhs) 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 (Rs. 1,984.75 lakhs). The above stated consolidated results includes the consolidated results of IBIZ and its subsidiaries from the date of its acquisition.
- 8 On August 07, 2015, Computaris International Limited, a UK subsidiary of the Company, has 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 has assessed Euro 0.58 mn (Rs. 404.15 Lakhs) as the estimated purchase price for the aforesaid assets acquired basis the conditions specified in APA and accordingly recorded as intangible assets.
- 9 During the year ended December 31, 2015, the Company has issued 90,000 equity shares of Re. 1/- each at an exercise price of Rs. 12.07 per share, pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
- 10 Figures for the quarter ended December 31, 2015 and December 31, 2014 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.
- 11 Refer Annexure A for the consolidated statement of assets and liabilities.
- 12 Refer Annexure B for segment wise consolidated revenue, results and capital employed.
- 13 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/-

Place : NOIDA
Date : February 06, 2016

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

R SYSTEMS INTERNATIONAL LIMITED**Consolidated Statement of Assets and Liabilities**

(Rs. in lakhs)

Particulars		As at Year Ended 31.12.2015	As at Year Ended 31.12.2014
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,261.31	1,267.20
	(b) Reserves and surplus	23,024.34	20,043.32
	Sub total - Shareholders' fund	24,285.65	21,310.52
2	Minority interest	-	-
3	Non-current liabilities		
	(a) Long-term borrowings	77.71	62.85
	(b) Deferred tax liabilities (net)	-	6.62
	(c) Other long-term liabilities	1,006.07	49.95
	(d) Long-term provisions	634.63	952.16
	Sub total - Non-current liabilities	1,718.41	1,071.58
4	Current liabilities		
	(a) Trade payables	4,853.85	5,088.88
	(b) Other current liabilities	3,034.26	5,902.48
	(c) Short-term provisions	1,660.29	3,927.31
	Sub total - Current liabilities	9,548.40	14,918.67
	TOTAL - EQUITY AND LIABILITIES	35,552.46	37,300.77
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets *	3,201.94	4,158.15
	(b) Goodwill on consolidation	4,779.72	2,802.04
	(c) Non-current investments	2,904.47	0.25
	(d) Deferred tax assets (net)	370.34	382.98
	(e) Long-term loans and advances	632.70	688.41
	(f) Other non-current assets	744.84	585.72
	Sub total - Non-current assets	12,634.01	8,617.55
2	Current assets		
	(a) Current investments	1,180.09	180.00
	(b) Trade receivables	10,463.12	12,507.65
	(c) Cash and cash equivalents	8,514.67	13,638.35
	(d) Short-term loans and advances	1,437.54	1,185.75
	(e) Other current assets	1,323.03	1,171.47
	Sub total - Current assets	22,918.45	28,683.22
	TOTAL - ASSETS	35,552.46	37,300.77

* including fixed assets amounting to Rs. 551.32 lakhs pertaining to Discontinuing Operations as at December 31, 2014.

R SYSTEMS INTERNATIONAL LIMITED
Segment Wise Consolidated Revenue, Results and Capital Employed

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Year Ended	
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014
		(Audited) Refer note 10	(Unaudited)	(Audited) Refer note 10	(Audited)	(Audited)
1	Segment revenue					
	- Information technology services and products	13,507.28	13,250.80	13,530.94	55,642.74	52,985.91
	- Business process outsourcing services	1,117.85	1,096.17	2,818.22	5,041.88	12,047.89
	Total	14,625.13	14,346.97	16,349.16	60,684.62	65,033.80
	Less: Elimination of intersegment sales	46.69	46.07	44.34	181.43	184.21
	Income from operations	14,578.44	14,300.90	16,304.82	60,503.19	64,849.59
2	Segment results before tax, interest and exceptional items					
	- Information technology services and products	1,501.73	1,604.09	1,720.76	6,768.49	7,640.38
	- Business process outsourcing services	101.44	68.44	474.49	188.89	1,435.08
	Total	1,603.17	1,672.53	2,195.25	6,957.38	9,075.46
	(i) Interest expense	(15.03)	(2.96)	(22.43)	(22.94)	(31.43)
	(ii) Interest income	104.96	155.60	125.30	463.21	410.16
	(iii) Other unallocable income	16.00	14.79	-	48.54	10.05
	(iv) Exceptional items (refer note 5)	369.59	5,661.42	2,240.25	6,031.01	2,501.10
	(v) Other unallocable expenses	(181.16)	(183.50)	(199.05)	(727.93)	(723.29)
	Profit before tax	1,897.53	7,317.88	4,339.32	12,749.27	11,242.05
3	Capital employed					
	- Information technology services and products	11,131.04	10,705.35	12,387.56	11,131.04	12,387.56
	- Business process outsourcing services	2,358.06	1,979.68	1,916.88	2,358.06	1,916.88
	- Unallocated corporate	10,796.55	9,335.07	7,006.08	10,796.55	7,006.08
	Total capital employed	24,285.65	22,020.10	21,310.52	24,285.65	21,310.52

R SYSTEMS INTERNATIONAL LIMITED

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Statement of Standalone Audited Results for the Quarter and Year Ended December 31, 2015

(Rs. in lakhs, except per share data)						
S.No.	Particulars (Refer notes)	Three Months Ended			Year Ended	
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014
		(Audited) Refer Note 9	(Audited)	(Audited) Refer Note 9	(Audited)	(Audited)
1	Income from operations					
(a)	Income from operations	6,152.67	6,262.45	7,304.35	28,925.98	29,108.13
(b)	Other operating income	128.01	12.36	65.53	453.04	383.91
	Total income from operations	6,280.68	6,274.81	7,369.88	29,379.02	29,492.04
2	Expenses					
(a)	Employee benefits expense	3,843.46	3,749.27	4,667.60	17,346.10	17,814.32
(b)	Depreciation and amortisation expense (refer note 4)	181.27	186.79	174.55	958.12	672.40
(c)	Traveling and conveyance	435.97	507.69	597.64	2,386.40	2,362.97
(d)	Communication costs	114.85	145.23	149.68	554.88	556.57
(e)	Legal and professional expenses (including subcontract expenses)	199.88	170.16	201.24	860.53	625.78
(f)	Provision for doubtful debts and advances (net)	6.17	(3.00)	23.06	23.89	3.79
(g)	Other expenses	538.81	544.81	576.09	2,416.77	2,180.47
	Total expenses	5,320.41	5,300.95	6,389.86	24,546.69	24,216.30
3	Profit from operations before other income, finance costs and exceptional items (1-2)	960.27	973.86	980.02	4,832.33	5,275.74
4	Other income (refer note 7)	120.02	169.82	678.77	509.31	964.51
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,080.29	1,143.68	1,658.79	5,341.64	6,240.25
6	Finance costs	16.27	8.99	31.90	42.76	62.55
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,064.02	1,134.69	1,626.89	5,298.88	6,177.70
8	Exceptional items (refer note 5)	836.39	5,644.35	2,406.88	6,480.74	3,931.31
9	Profit from ordinary activities before tax (7+8)	1,900.41	6,779.04	4,033.77	11,779.62	10,109.01
10	Tax expense					
	Current tax [refer note 5 (f)]	(352.34)	1,750.55	948.63	2,628.20	2,475.32
	Deferred tax charge / (credit)	103.30	143.52	4.45	87.02	130.80
	Total tax expense	(249.04)	1,894.07	953.08	2,715.22	2,606.12
11	Net profit from ordinary activities after tax (9-10)	2,149.45	4,884.97	3,080.69	9,064.40	7,502.89
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit for the period / year (11-12)	2,149.45	4,884.97	3,080.69	9,064.40	7,502.89
14	Paid - up equity share capital (Face value Re. 1/- each) (refer note 6 and 8)	1,261.31	1,261.31	1,267.20	1,261.31	1,267.20
15	Reserves excluding Revaluation Reserves as at December 31, 2015 and December 31, 2014				18,575.93	16,241.02
16.i	Earnings per share before extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.69	3.85	2.42	7.14	5.90
(b)	Diluted	1.69	3.85	2.42	7.14	5.90
16.ii	Earnings per share after extraordinary items (Face value of Re. 1/- each) (not annualised)					
(a)	Basic	1.69	3.85	2.42	7.14	5.90
(b)	Diluted	1.69	3.85	2.42	7.14	5.90

See accompanying notes to the financial results.

Notes:

- 1 The results for the quarter and year ended December 31, 2015 were reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 06, 2016.
- 2 An audit has been completed by the Statutory Auditors for the quarter and year ended December 31, 2015 and December 31, 2014. There is no qualification in the Auditors' Report on these financial results.
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- 4 As at January 01, 2015, the Company, based on technical assessment, reassessed the useful life of tangible assets and accordingly changed the useful lives of certain assets resulting in incremental charge of depreciation. Accordingly, the depreciation charge for the quarter and year ended December 31, 2015 is higher by Rs. 65.91 lakhs and Rs. 322.49 lakhs respectively. The profit after tax for the quarter and year ended December 31, 2015 is lower by Rs. 43.10 lakhs and Rs. 211.52 lakhs respectively. Further, during the quarter ended March 31, 2015, the Company had transferred Rs. 124.55 lakhs (net of tax) to reserves based on the transitional provision under Schedule II of the Companies Act, 2013.
- 5 '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, on the terms and conditions agreed in BTA.

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. 661.55 lakhs (USD 1 million). These conditions are under evaluation and yet to be concluded as at the quarter and year ended December 31, 2015. The Company will continue to hold the compulsorily redeemable debentures having an aggregate face value of Rs. 3,502.60 lakhs in accordance with the terms of the BTA. 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 ended September 30, 2015 and year ended December 31, 2015. The name of RSPTPL has been 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)	Three Months Ended 31.12.2014	Year Ended 31.12.15 (01.01.15 to 07.07.15)	Year Ended 31.12.14
Total income	225.12	2,208.20	5,764.71	8,413.41
Total expenses	217.23	2,111.61	4,931.89	7,188.35
Profit before tax	7.89	96.59	832.82	1,225.06
Total tax expense	2.73	32.83	267.14	416.40
Profit after tax	5.16	63.76	565.68	808.66

The amount of assets and liabilities attributable to the said operations are as follows:

Particulars	(Rs. in lakhs)	
	As at	
	07.07.2015	31.12.2014
Total assets	5,679.44	3,959.20
Total liabilities	3,253.72	1,922.43
Net assets	2,425.72	2,036.77

(b) On December 10, 2015, R Systems Solution Inc. (RSSI), a wholly owned subsidiary of the Company has been 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 has received incremental 150 common stock of RSI against outstanding common and preferred (series A) stocks held in RSSI. Accordingly the Company has 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 lacs and was carrying these investments at Rs. 134.14 lakhs. Consequent to the above merger, the Company has 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.

(c) 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'.

(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, to Customer Contact Management Group B.V. ("CCMG") a Europe based company 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) had been placed in an escrow account in the Netherlands, the realisation of which was subject to certain conditions pursuant to the provision of the SSA. The profit on transfer amounting to Rs. 1,761.59 lakhs and Rs. 645.29 lakhs for R Systems Europe B.V., Netherlands and R Systems S.A.S., France respectively are disclosed as 'Exceptional items' in the quarter and year ended December 31, 2014 in the financial results.

Also, during the year ended December 31, 2014, the Company had reversed the provision considered in earlier period towards diminution in the value of investment amounting to Rs. 420.52 lakhs and Rs. 325.93 lakhs for R Systems Europe B.V., Netherlands and R Systems S.A.S., France respectively. These reversals are included in 'Exceptional items' in the financial results for the year ended December 31, 2014.

Further, during the quarter and year ended December 31, 2015, on the stipulated conditions under the SSA being completed, the Company has received Euro 0.35 million (Rs. 266.28 lakhs) which had been 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.

(e) The Board of Directors at its meeting held on July 07, 2014 had approved the offer of buy-back from Computaris International Limited (a wholly owned subsidiary) of 13,500 shares held by the Company in the said subsidiary at the rate of GBP 111.38 per share amounting to GBP 1.50 million. The aforesaid buy-back proceeds were received by the Company on September 17, 2014. Even after this buy back, Computaris International Limited continues to remain wholly owned subsidiary of the Company. The profit on the buy-back amounting to Rs. 777.98 lakhs is included in 'Exceptional items' in the financial results for the year ended December 31, 2014.

(f) The consequent tax expense/(benefit) of above 'Exceptional items' amounting to Rs. (696.17) lakhs for the quarter ended December 31, 2015, Rs. 1,326.35 lakhs for the quarter ended September 30, 2015 and Rs. 630.18 lakhs for the year ended December 31, 2015 and Rs. 457.19 lakhs for the quarter ended December 31, 2014 and Rs. 557.31 lakhs for year ended December 31, 2014, is included in the 'Current tax' in the financial results for the respective periods.

- 6 The Company had issued Public Announcement dated December 29, 2014, for buy-back of equity shares of face value of Re. 1/- each from the open market at a price not exceeding Rs. 100 per share for an aggregate amount not exceeding Rs. 600 lakhs. Under the Buy-back offer, the Company has bought back 678,155 equity shares, having nominal value of Rs. 6.78 lakhs, for an aggregate amount of Rs. 595.74 lakhs by utilising the Securities Premium Account to the extent of Rs. 588.96 lakhs and General Reserve, through creation of Capital Redemption Reserve in terms of Section 68 of the Companies Act, 2013, to the extent of aforesaid nominal value. The Company has closed the buy-back offer pursuant to approval by the Board of Directors of the Company at its meeting held on April 23, 2015.
- 7 During the year ended December 31, 2014, the Company had received Rs. 554.84 lakhs as dividend from R Systems Europe B.V., its wholly owned subsidiary in Netherlands. This dividend income is included in 'Other Income'.
- 8 During the year ended December 31, 2015, the Company has issued 90,000 equity shares of Re. 1/- each at an exercise price of Rs. 12.07 per share, pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
- 9 Figures for the quarter ended December 31, 2015 and December 31, 2014 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.
- 10 Refer Annexure A for the standalone statement of assets & liabilities.
- 11 Refer Annexure B for segment wise standalone revenue, results and capital employed.
- 12 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]

Place : NOIDA

Date : February 06, 2016

R SYSTEMS INTERNATIONAL LIMITED**Standalone Statement of Assets & Liabilities**

(Rs. in lakhs)

Particulars		As at Year Ended 31.12.2015	As at Year Ended 31.12.2014
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,261.31	1,267.20
	(b) Reserves and surplus	18,575.93	16,241.02
	Sub total - Shareholders' fund	19,837.24	17,508.22
2	Non-current liabilities		
	(a) Long-term borrowings	77.71	62.85
	(b) Other long-term liabilities	123.61	47.24
	(c) Long-term provisions	634.63	952.16
	Sub total - Non-current liabilities	835.95	1,062.25
3	Current liabilities		
	(a) Trade payables	1,734.32	2,390.95
	(b) Other current liabilities	1,400.97	5,367.30
	(c) Short-term provisions	1,171.93	3,040.01
	Sub total - Current liabilities	4,307.22	10,798.26
	TOTAL - EQUITY AND LIABILITIES	24,980.41	29,368.73
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets*	2,371.30	3,547.26
	(b) Non-current investments	11,627.54	7,229.25
	(c) Deferred tax assets (net)	354.56	382.99
	(d) Long-term loans and advances	463.16	577.65
	(e) Other non-current assets	511.56	508.40
	Sub total - Non-current assets	15,328.12	12,245.55
2	Current assets		
	(a) Current investments	1,180.09	180.00
	(b) Trade receivables	5,046.15	6,263.70
	(c) Cash and cash equivalents	2,113.80	9,414.28
	(d) Short-term loans and advances	932.41	685.78
	(e) Other current assets	379.84	579.42
	Sub total - Current assets	9,652.29	17,123.18
	TOTAL - ASSETS	24,980.41	29,368.73

* including fixed assets amounting to Rs. 551.32 lakhs pertaining to Discontinuing Operations as at December 31, 2014.

R SYSTEMS INTERNATIONAL LIMITED**Segment Wise Standalone Revenue, Results and Capital Employed**

(Rs. in lakhs)

S.No.	Particulars	Three Months Ended			Year Ended	
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014
		(Audited) Refer Note 9	(Audited)	(Audited) Refer Note 9	(Audited)	(Audited)
1	Segment revenue					
	- Information technology services and products	5,089.85	5,237.93	6,236.86	24,823.07	25,383.38
	- Business process outsourcing services	1,062.82	1,024.52	1,067.49	4,102.91	3,724.75
	Income from operations	6,152.67	6,262.45	7,304.35	28,925.98	29,108.13
2	Segment results before tax, interest and exceptional items					
	- Information technology services and products	961.37	962.74	821.45	4,882.88	5,137.34
	- Business process outsourcing services	96.63	146.66	269.00	487.33	662.40
	Total	1,058.00	1,109.40	1,090.45	5,370.21	5,799.74
	(i) Interest expense	(14.62)	(2.34)	(21.98)	(21.26)	(27.52)
	(ii) Interest income	104.02	155.03	123.91	460.77	399.62
	(iii) Dividend income (refer note 7)	-	-	554.84	-	554.84
	(iv) Other unallocable income	16.00	14.79	-	48.54	10.05
	(v) Exceptional Items (refer note 5)	836.39	5,644.35	2,406.88	6,480.74	3,931.31
	(vi) Other unallocable expenses	(99.38)	(142.19)	(120.33)	(559.38)	(559.03)
	Profit before tax	1,900.41	6,779.04	4,033.77	11,779.62	10,109.01
3	Capital employed					
	- Information technology services and products	3,358.42	3,911.70	6,156.25	3,358.42	6,156.25
	- Business process outsourcing services	890.14	(41.90)	(389.16)	890.14	(389.16)
	- Unallocated corporate	15,588.68	13,817.99	11,741.13	15,588.68	11,741.13
	Total capital employed	19,837.24	17,687.79	17,508.22	19,837.24	17,508.22