

R SYSTEMS INTERNATIONAL LIMITED

CIN : L74899DL1993PLC053579

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

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

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

Statement of Consolidated Unaudited Financial Results for the Quarter Ended March 31, 2021

		(Rs. in million, except per share data)			
S.No.	Particulars (Refer notes)	Three months ended			Year ended
		31.03.2021 (Unaudited)	31.12.2020 (Unaudited) Refer to note 8	31.03.2020 (Unaudited)	31.12.2020 (Audited)
1	Income				
(a)	Revenue from operations	2,476.53	2,366.41	2,092.62	8,805.91
(b)	Other income	53.23	45.44	(12.29)	129.00
	Total income	2,529.76	2,411.85	2,080.33	8,934.91
2	Expenses				
(a)	Employee benefits expense	1,771.16	1,594.90	1,484.99	6,116.27
(b)	Finance costs	12.65	14.42	12.56	56.66
(c)	Depreciation and amortisation expense	62.69	59.73	65.74	256.04
(d)	Other expenses	398.74	392.42	406.34	1,525.08
	Total expenses	2,245.24	2,061.47	1,969.63	7,954.05
3	Profit before tax and exceptional items	284.52	350.38	110.70	980.86
4	Exceptional Items (refer to Note 4)	-	18.65	-	18.65
5	Profit before tax	284.52	331.73	110.70	962.21
6	Tax expense				
(a)	Current tax	54.65	63.65	37.11	206.17
(b)	Deferred tax credit	(18.97)	(24.91)	(21.44)	(61.95)
	Total tax expense	35.68	38.74	15.67	144.22
7	Net profit for the period / year	248.84	292.99	95.03	817.99
8	Other comprehensive income / (loss)				
	<i>Items that will not be reclassified to profit or loss</i>				
(a)	Re-measurements of the defined benefit plans	0.67	(6.37)	(8.34)	(15.79)
(b)	Deferred tax relating to re-measurements of the defined benefit plans	(0.19)	1.86	2.43	4.60
	<i>Items that will be reclassified to profit or loss</i>				
(a)	Foreign Currency Translation reserve	(41.26)	34.51	39.53	87.11
	Total Other comprehensive income / (loss)	(40.78)	30.00	33.62	75.92
9	Total comprehensive income for the period / year (7+8)	208.06	322.99	128.65	893.91
10	Profit attributable to				
	Equity shareholders to the company	248.84	292.99	95.03	817.99
	Non controlling interest	-	-	-	-
		248.84	292.99	95.03	817.99
11	Total comprehensive income attributable to				
	Equity shareholders to the company	208.06	322.99	128.65	893.91
	Non controlling interest	-	-	-	-
		208.06	322.99	128.65	893.91
12	Earnings per share (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	2.08	2.45	0.80	6.84
(b)	Diluted	2.08	2.45	0.80	6.84

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2021 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'). The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on May 07, 2021.
- 2 The Limited Review as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the Statutory Auditor for the quarter ended March 31, 2021, quarter ended March 31, 2020, quarter ended December 31, 2020 and audit for the year ended December 31, 2020 (also refer note 8 below). The audit / review reports for the aforementioned results is not modified.
- 3 During the current quarter, Hon'ble National Company Law Tribunal, New Delhi Bench vide its order dated February 01, 2021 has approved the scheme of amalgamation between R Systems International Limited (Transferee Company) and RightMatch Holdings Limited (Transferor Company) and their respective Shareholders and Creditors (the Scheme) under Section 230 to 232 of the Companies Act, 2013.

Pursuant to the necessary filing with appropriate statutory authorities in India and Mauritius, the scheme has become effective on March 09, 2021. As per the Scheme, the appointed date is January 01, 2020.

The amalgamation has been accounted for under the "Pooling of interest" method referred to in Appendix C of IND AS 103 – Business Combination of Entities under Common Control, as prescribed by the Scheme. Accordingly, all the assets, liabilities and other reserves of the Transferor Company as on January 01, 2020 have been aggregated with those of the Transferee Company at their respective book values. The comparative financial information in the consolidated financial statements of the Transferee Company have been restated for the accounting impact of amalgamation, as if the amalgamation had occurred from the beginning of the comparative period. Consequent to this restatement, the profit after tax for the quarter ended March 31, 2020 and quarter and year ended December 31, 2020 is lower by INR 0.29 million, INR 0.81 million, INR 3.90 million respectively. The total comprehensive income for the quarter ended March 31, 2020 is higher by INR 0.05 million and for the quarter and year ended December 31, 2020 it is lower by INR 0.83 million and INR 3.72 million respectively.

- 4 During the year ended December 31, 2019, R Systems, Inc. (a wholly owned subsidiary of the Company) had completed the acquisition of 100% interest in Innovizant LLC, (Innovizant) effective January 1, 2019. Innovizant is engaged in providing IT Services focused on advanced analytics, data engineering, and digital connected systems. As on the date of acquisition the management had assessed the fair value of investment at USD 2.85 million, out of which USD 1 million was paid on closing of the transaction and balance to be paid as earn outs on fulfillment of certain conditions.

During the year ended December 31, 2020, the management has reversed the earn out payable amounting to Rs. 88.03 mn (USD 1.19 mn) which is not due to the ex-shareholder of Innovizant, basis the conditions specified in the agreement. The management has assessed the carrying value of goodwill recognised on acquisition and has impaired Rs. 106.68 mn (USD 1.44 mn) as the expected recoverable value is less than the carrying value of the asset due to non-achievement of thresholds as specified in the agreement. The impairment charge, net off the reversal of earn out payable has been disclosed as "Exceptional items" in the Statement of Financial Results.

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

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

- 6 During the year ended December 31, 2020, the Company had issued 37,500 equity shares of Re. 1/- each pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
- 7 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 8 Figures for the quarter ended December 31, 2020 are equivalent to the difference between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year which were subjected to quarterly limited review by the statutory auditors.
- 9 The consolidated segment information is set out in Annexure A.

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

Sd/-

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

Place : NOIDA
Date : May 07, 2021

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Segment Information

		(Rs. in million)			
S.No.	Particulars	Three months ended			Year ended
		31.03.2021	31.12.2020	31.03.2020	31.12.2020
		(Unaudited)	(Unaudited) Refer to note 8	(Unaudited)	(Audited)
1	Segment revenue				
	- Information technology services	2,298.11	2,189.58	1,925.37	8,144.49
	- Business process outsourcing services	184.62	183.07	173.41	686.48
	Total	2,482.73	2,372.65	2,098.78	8,830.97
	Less: Elimination of intersegment sales	6.20	6.24	6.16	25.06
	Revenue from operations	2,476.53	2,366.41	2,092.62	8,805.91
2	Segment results before tax, interest and exceptional items				
	- Information technology services	258.30	294.25	116.72	926.89
	- Business process outsourcing services	44.28	46.49	12.74	129.63
	Total	302.58	340.74	129.46	1,056.52
	(i) Finance costs	(12.65)	(14.42)	(12.56)	(56.66)
	(ii) Interest income	17.42	15.98	12.38	53.20
	(iii) Other unallocable income	2.67	2.98	6.53	18.87
	(iv) Exceptional Items (refer to Note 4)	-	18.65	-	18.65
	(v) Other unallocable expenses	(25.50)	(32.20)	(25.11)	(128.37)
	Profit before tax	284.52	331.73	110.70	962.21

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

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Statement of Standalone Audited Financial Results for the Quarter Ended March 31, 2021

(Rs. in million, except per share data)					
S.No.	Particulars (Refer notes)	Three months ended			Year ended
		31.03.2021 (Audited)	31.12.2020 (Audited)	31.03.2020 (Audited)	31.12.2020 (Audited)
1	Income				
(a)	Revenue from operations	1,215.36	1,209.58	1,059.54	4,387.15
(b)	Other income	48.40	50.60	(29.90)	125.93
	Total income	1,263.76	1,260.18	1,029.64	4,513.08
2	Expenses				
(a)	Employee benefits expense	864.84	782.36	735.61	2,972.00
(b)	Finance costs	9.29	9.40	8.47	37.02
(c)	Depreciation and amortisation expense	33.86	33.05	32.48	134.61
(d)	Other expenses	144.81	141.56	166.66	553.65
	Total expenses	1,052.80	966.37	943.22	3,697.28
3	Profit before tax	210.96	293.81	86.42	815.80
4	Tax expense				
(a)	Current tax	39.10	42.91	30.07	149.86
(b)	Deferred tax credit	(18.81)	(4.54)	(18.82)	(31.13)
	Total tax expense	20.29	38.37	11.25	118.73
5	Net profit for the period / year	190.67	255.44	75.17	697.07
6	Other comprehensive income / (loss)				
	<i>Items that will not be reclassified to profit or loss</i>				
(a)	Re-measurements of the defined benefit plans	0.67	(6.37)	(8.34)	(15.79)
(b)	Deferred tax relating to re-measurements of the defined benefit plans	(0.19)	1.86	2.43	4.60
	<i>Items that will be reclassified to profit or loss</i>				
(a)	Foreign currency translation reserve	(0.18)	(0.02)	0.34	0.18
	Total Other comprehensive income / (loss)	0.30	(4.53)	(5.57)	(11.01)
7	Total comprehensive income for the period / year (5+6)	190.97	250.91	69.60	686.06
8	Earnings per share (Face value of Re. 1/- each) (not annualised)				
(a)	Basic	1.59	2.14	0.63	5.83
(b)	Diluted	1.59	2.14	0.63	5.83

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2021 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'). The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on May 07, 2021.
- 2 The Statutory Auditors have carried out an audit for the quarter ended March 31, 2021, quarter ended March 31, 2020 and for the quarter and year ended December 31, 2020. The audit report for the aforementioned results is not modified.
- 3 During the current quarter, Hon'ble National Company Law Tribunal, New Delhi Bench vide its order dated February 01, 2021 has approved the scheme of amalgamation between R Systems International Limited (Transferee Company) and RightMatch Holdings Limited (Transferor Company) and their respective Shareholders and Creditors (the Scheme) under Section 230 to 232 of the Companies Act, 2013.

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

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

- 5 During the year ended December 31, 2020, the Company had issued 37,500 equity shares of Re. 1/- each pursuant to exercise of employee stock options under the R Systems International Limited Employee Stock Option Scheme 2007.
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- 7 The standalone segment information is set out in Annexure A.

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

Sd/-

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

Place : NOIDA
Date : May 07, 2021

R SYSTEMS INTERNATIONAL LIMITED
Standalone Segment Information

(Rs. in million)

S.No.	Particulars	Three months ended			Year ended
		31.03.2021	31.12.2020	31.03.2020	31.12.2020
		(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue				
	- Information technology services	1,030.74	1,026.51	886.13	3,700.67
	- Business process outsourcing services	184.62	183.07	173.41	686.48
	Revenue from operations	1,215.36	1,209.58	1,059.54	4,387.15
2	Segment results before tax, interest and exceptional items				
	- Information technology services	181.02	263.07	86.68	745.72
	- Business process outsourcing services	44.28	46.49	12.74	129.63
	Total	225.30	309.56	99.42	875.35
	(i) Finance costs	(9.29)	(9.40)	(8.47)	(37.02)
	(ii) Interest income	16.66	14.89	10.11	47.35
	(iii) Other unallocable income	2.67	2.98	6.53	18.87
	(iv) Other unallocable expenses	(24.38)	(24.22)	(21.17)	(88.75)
	Profit before tax	210.96	293.81	86.42	815.80

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.