

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, 2022

S.No.	Particulars	(Rs. in million, except per share data)			
		Three months ended			Year ended
		31.03.2022	31.12.2021	31.03.2021	31.12.2021
		(Unaudited)	(Unaudited) refer to Note 6	(Unaudited)	(Audited)
1	Income				
(a)	Revenue from operations	3,431.09	3,286.46	2,476.53	11,556.39
(b)	Other income (refer to Note 3)	52.07	51.01	52.10	418.96
	Total income	3,483.16	3,337.47	2,528.63	11,975.35
2	Expenses				
(a)	Employee benefits expense	2,392.73	2,169.04	1,771.16	7,798.25
(b)	Finance costs	11.17	13.69	12.65	49.12
(c)	Depreciation and amortisation expense	82.38	79.61	62.69	276.93
(d)	Other expenses	622.47	666.89	397.61	2,150.33
	Total expenses	3,108.75	2,929.23	2,244.11	10,274.63
3	Profit before tax	374.41	408.24	284.52	1,700.72
4	Tax expense				
(a)	Current tax	73.53	99.76	54.65	327.63
(b)	Deferred tax charge / (credit)	3.98	(19.45)	(18.97)	(41.27)
	Total tax expense	77.51	80.31	35.68	286.36
5	Net profit for the period / year	296.90	327.93	248.84	1,414.36
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	(4.42)	(1.84)	0.67	1.31
(b)	Deferred tax relating to re-measurements of the defined benefit plans	1.54	0.64	(0.19)	(0.42)
	<i>Items that will be reclassified to profit or loss</i>				
(a)	Foreign Currency Translation reserve	29.32	(1.16)	(41.26)	(33.08)
	Total Other comprehensive income / (loss)	26.44	(2.36)	(40.78)	(32.19)
7	Total comprehensive income for the period / year (5+6)	323.34	325.57	208.06	1,382.17
8	Profit attributable to				
	Equity shareholders to the company	296.90	327.93	248.84	1,414.36
	Non controlling interest	-	-	-	-
		296.90	327.93	248.84	1,414.36
9	Total comprehensive income attributable to				
	Equity shareholders to the company	323.34	325.57	208.06	1,382.17
	Non controlling interest	-	-	-	-
		323.34	325.57	208.06	1,382.17
10	Earnings per share (Face value of Re. 1/- each) (not annualised)				
	Basic and diluted	2.51	2.77	2.08	11.85

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2022 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 10, 2022.
- 2 The Limited Review as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the Statutory Auditors for the quarter ended March 31, 2022, quarter ended March 31, 2021, quarter ended December 31, 2021 and audit for the year ended December 31, 2021 (also refer to Note 6 below). The audit / review reports for the aforementioned results are not modified.
- 3 During the year ended December 31, 2020, , the Company and its USA subsidiaries had obtained a forgivable loan of Rs. 224.04 million (USD 3.04 million) under Paycheck Protection Program (PPP) by Small Business Administration, United States of America ("SBA").

During the year ended December 31, 2021, the Company and its USA subsidiaries received the approval for forgiveness of the entire loan amount upon satisfaction of the underlying conditions. Consequently to the approval, the amount of forgivable loan was recognised as income and presented under the head "Other income".

- 4 The Group has assessed the possible effects of uncertainties relating to the global health pandemic from COVID-19 on recoverability of receivables including unbilled receivables, contract assets, intangible assets, and certain investments.

In assessment of the recoverability, the Group has considered internal and external information including economic forecasts upto the date of approval of these consolidated financial results. 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.

- 5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and was 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.
- 6 Figures for the quarter ended December 31, 2021 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.
- 7 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 10, 2022

R SYSTEMS INTERNATIONAL LIMITED
Consolidated Segment Information

S.No.	Particulars	Three months ended			(Rs. in million)
		31.03.2022	31.12.2021	31.03.2021	Year ended
		(Unaudited)	(Unaudited)	(Unaudited)	31.12.2021
			refer to Note 6		(Audited)
1	Segment revenue				
	- Information technology services	3,206.69	3,059.91	2,298.11	10,753.43
	- Business process outsourcing services	230.79	232.88	184.62	827.97
	Total	3,437.48	3,292.79	2,482.73	11,581.40
	Less: Elimination of intersegment sales	6.39	6.33	6.20	25.01
	Revenue from operations	3,431.09	3,286.46	2,476.53	11,556.39
2	Segment results before tax, interest and exceptional items				
	- Information technology services	331.14	381.11	258.30	1,357.85
	- Business process outsourcing services	46.06	53.40	44.28	200.96
	Total	377.20	434.51	302.58	1,558.81
	(i) Finance costs	(11.17)	(13.69)	(12.65)	(49.12)
	(ii) Interest income	10.78	13.75	17.42	66.85
	(iii) Other unallocable income (refer to Note 3)	27.53	3.68	2.67	234.98
	(iv) Other unallocable expenses	(29.93)	(30.01)	(25.50)	(110.80)
	Profit before tax	374.41	408.24	284.52	1,700.72

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, 2022

(Rs. in million, except per share data)

S.No.	Particulars	Three months ended			Year ended
		31.03.2022	31.12.2021	31.03.2021	31.12.2021
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income				
(a)	Revenue from operations	1,768.52	1,684.28	1,215.36	5,775.01
(b)	Other income (refer to Note 3 and 4)	32.49	126.35	48.40	467.27
	Total income	1,801.01	1,810.63	1,263.76	6,242.28
2	Expenses				
(a)	Employee benefits expense	1,275.24	1,149.32	864.84	3,969.88
(b)	Finance costs	8.87	10.73	9.29	38.26
(c)	Depreciation and amortisation expense	45.01	42.05	33.86	146.49
(d)	Other expenses	205.61	216.81	144.81	728.72
	Total expenses	1,534.73	1,418.91	1,052.80	4,883.35
3	Profit before tax	266.28	391.72	210.96	1,358.93
4	Tax expense				
(a)	Current tax	58.21	64.80	39.10	245.27
(b)	Deferred tax credit	(7.44)	(5.36)	(18.81)	(43.81)
	Total tax expense	50.77	59.44	20.29	201.46
5	Net profit for the period / year	215.51	332.28	190.67	1,157.47
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	(4.42)	(1.84)	0.67	1.31
(b)	Deferred tax relating to re-measurements of the defined benefit plans	1.54	0.64	(0.19)	(0.42)
	<i>Items that will be reclassified to profit or loss</i>				
(a)	Foreign currency translation reserve	-	-	(0.18)	(0.18)
	Total Other comprehensive income / (loss)	(2.88)	(1.20)	0.30	0.71
7	Total comprehensive income for the period / year (5+6)	212.63	331.08	190.97	1,158.18
8	Earnings per share (Face value of Re. 1/- each) (not annualised)				
	Basic and diluted	1.82	2.80	1.59	9.70

See accompanying notes to the financial results

Notes:

- 1 The financial results for the quarter ended March 31, 2022 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 10, 2022.
- 2 The Statutory Auditors have carried out an audit for the quarter ended March 31, 2022, quarter ended March 31, 2021 and for the quarter and year ended December 31, 2021. The audit report for the aforementioned results is not modified.
- 3 The Company has received dividend from its wholly owned subsidiary amounting to Rs. 3.40 million for the quarter ended March 31, 2022. The Company has also received dividend from its wholly owned subsidiaries Rs. 65.94 million and Rs. 238.88 million for the quarter and year ended December 31, 2021, respectively.

The aforesaid dividend is recorded under "Other Income".

- 4 During the year ended December 31, 2020, the Company had obtained a forgivable loan of Rs. 31.76 million (USD 431,700) under Paycheck Protection Program (PPP) by Small Business Administration, United States of America ("SBA").

During the year ended December 31, 2021, the Company received the approval for forgiveness of the entire loan amount upon satisfaction of the underlying conditions. Consequently to the approval, the amount of forgivable loan was recognised as income and presented under the head "Other income".

- 5 The Company has assessed the possible effects of uncertainties relating to the global health pandemic from COVID-19 on recoverability of receivables including unbilled receivables, contract assets, intangible assets, and certain investments.

In assessment of the recoverability, the Company has considered internal and external information including economic forecasts upto the date of approval of these standalone financial results. 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.

- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and was 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.

- 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 10, 2022

R SYSTEMS INTERNATIONAL LIMITED
Standalone Segment Information

(Rs. in million)

S.No.	Particulars	Three months ended			Year ended
		31.03.2022	31.12.2021	31.03.2021	31.12.2021
		(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue				
	- Information technology services	1,537.73	1,451.40	1,030.74	4,947.04
	- Business process outsourcing services	230.79	232.88	184.62	827.97
	Revenue from operations	1,768.52	1,684.28	1,215.36	5,775.01
2	Segment results before tax, interest and exceptional items				
	- Information technology services	239.36	279.20	181.02	934.93
	- Business process outsourcing services	46.06	53.40	44.28	200.96
	Total	285.42	332.60	225.30	1,135.89
	(i) Finance costs	(8.87)	(10.73)	(9.29)	(38.26)
	(ii) Interest income	10.54	13.30	16.66	64.29
	(iii) Other unallocable income (refer to Note 3 and 4)	6.25	79.54	2.67	292.37
	(iv) Other unallocable expenses	(27.06)	(22.99)	(24.38)	(95.36)
	Profit before tax	266.28	391.72	210.96	1,358.93

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.