

R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
C-40, Sector-59, NOIDA, Distt. Gautam Budh Nagar, U.P. India-201307

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New Delhi - 110 048

REF: SECT/11/2017/14

NOVEMBER 09, 2017

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To, The Managing Director National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol - RSYSTEMS | To, The General Manager BSE Limited Department of Corporate Services, Rotunda Building, 1 st Floor, Mumbai Samachar Marg, Fort, Mumbai - 400 001 BSE Scrip Code - 532735 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Dear Sir/ Madam,

SUB: SUBMISSION OF PRESENTATION MADE TO ANALYSTS/ INVESTORS

This is with reference to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Listing Agreement entered into by R Systems International Limited (“the Company”). In this regard please find enclosed presentation made to Analysts/ Investors on the financial results for the quarter and nine months ended on September 30, 2017.

The presentation is also available on the website of the Company i.e. www.rsystems.com.

This is for your information and records.

Thanking you,

Yours faithfully,

For R Systems International Limited


Ashish Thakur
(Company Secretary & Compliance Officer)





Analytical Review of Q3 2017 Results

Disclaimer



“Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.”

Key Highlights – Q3 2017



- Revenue Rs. 144.89 crores (US\$ 22.53 mn) compared to Rs. 144.11 crores (US\$ 21.53 mn) in Q3, 2016 and Rs. 147.92 crores (US\$ 22.91 mn) in Q2, 2017.
- EBITDA Rs. 11.32 crores (US\$ 1.75 mn) compared to Rs. 15.94 crores (US\$ 2.38 mn) in Q3, 2016 and Rs. 5.74 crores (US\$ 0.89 mn) in Q2, 2017.
- Profit After Tax Rs. 6.43 crores (US\$ 0.99 mn) compared to Rs. 10.77 crores (US\$ 1.61 mn) in Q3, 2016 and Rs. 4.66 crores (US\$ 0.72 mn) in Q2, 2017.
- Earnings per share of Re. 0.52 as against Re. 0.85 in Q3, 2016 and Re. 0.38 in Q2, 2017.

Key Highlights (Continues...)



- Telecom and Digital Media continues to be our largest industry vertical with ~ 28% share of revenues.
- Serving 22 million dollar plus customers on run rate basis.
- 6 key wins during the quarter.
- Q3 Margins improved as against Q2 but remain muted due to strengthening of the INR and investment in newer technologies and sales activities.
- Strong Balance Sheet with:
 - Share Holder Funds - Rs. 297.30 crores or \$ 45.54 mn.
 - Cash & bank balances - Rs. 151.81 crores or \$ 23.25 mn.

Financial Performance - Contribution Analysis – Q3 2017



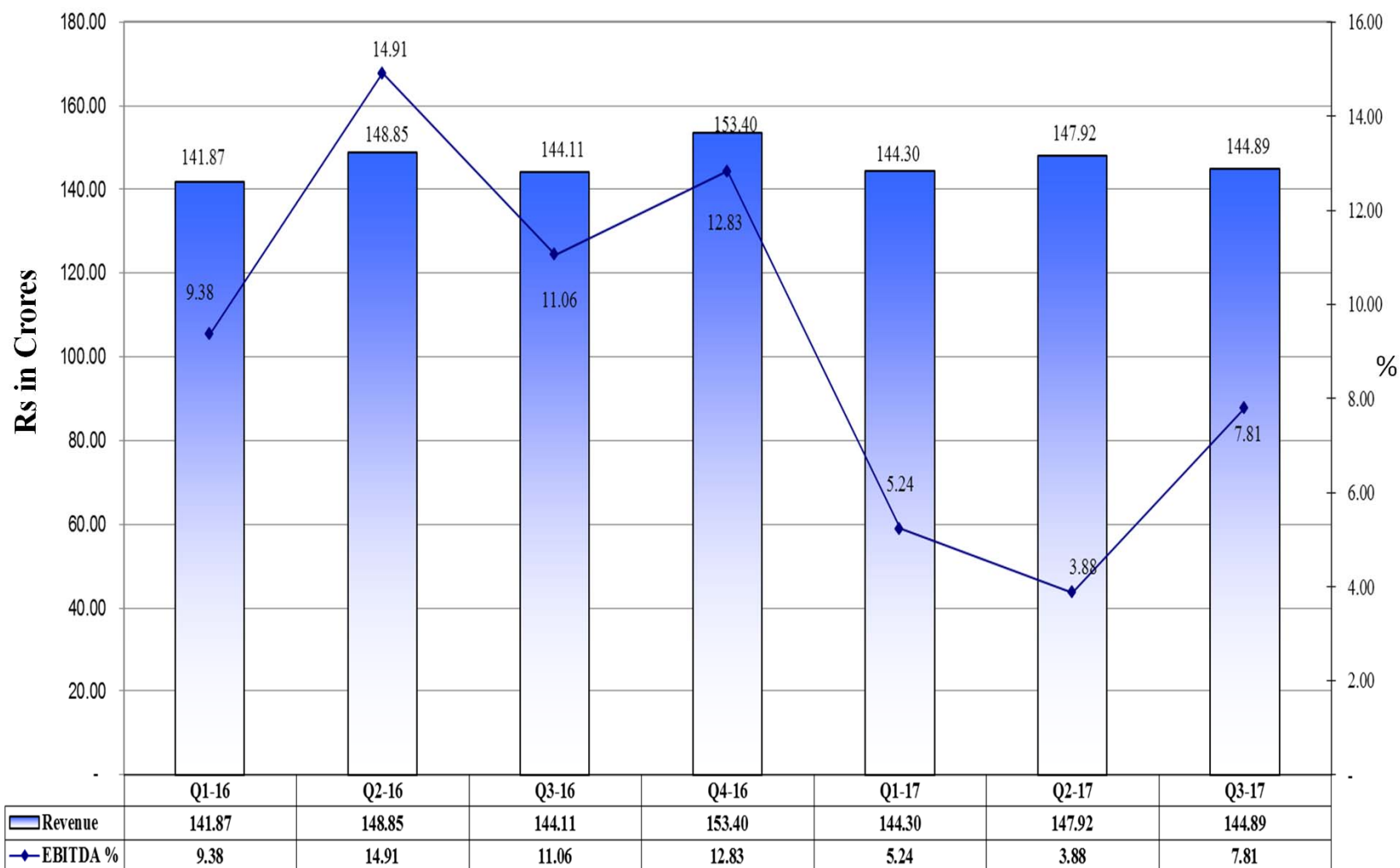
(Figures in mn)

| Particulars | Q3 2017 | | Q3 2016 | | Q2 2017 | |
|---------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | INR | US\$ | INR | US\$ | INR | US\$ |
| Revenues | 1,448.91 | 22.53 | 1,441.13 | 21.53 | 1,479.24 | 22.91 |
| Cost of revenues | 1,016.13 | 15.80 | 949.80 | 14.19 | 1,026.48 | 15.90 |
| Gross margin | 432.78 | 6.73 | 491.33 | 7.34 | 452.76 | 7.01 |
| SG & A | <i>29.87%</i> | | <i>34.09%</i> | | <i>30.61%</i> | |
| Expenses | 319.58 | 4.98 | 331.89 | 4.96 | 395.38 | 6.12 |
| | <i>22.06%</i> | | <i>23.03%</i> | | <i>26.73%</i> | |
| EBITDA | 113.20 | 1.75 | 159.44 | 2.38 | 57.38 | 0.89 |
| | <i>7.81%</i> | | <i>11.06%</i> | | <i>3.88%</i> | |
| Depreciation and amortization | 30.07 | 0.47 | 29.83 | 0.44 | 30.39 | 0.47 |
| Income from operations | 83.13 | 1.28 | 129.61 | 1.94 | 26.99 | 0.42 |
| Interest expense | (0.53) | (0.01) | (0.33) | (0.01) | (0.65) | (0.01) |
| Other income (net) | 14.91 | 0.24 | 34.49 | 0.52 | 31.31 | 0.49 |
| Income before income tax | 97.51 | 1.51 | 163.77 | 2.45 | 57.65 | 0.90 |
| Income tax expense | 33.20 | 0.52 | 56.10 | 0.84 | 11.02 | 0.18 |
| Net earnings | 64.31 | 0.99 | 107.67 | 1.61 | 46.63 | 0.72 |

Movement in Gross Margin % Q3-17 Vs Q2-17

| | |
|-----------------------------------------------------|--------|
| Gross Margin % in Q2-17 | 30.61 |
| Impact of lower billable days | (1.06) |
| Impact of rupee depreciation primarily against EURO | 0.18 |
| Impact of decrease in other COGS | 0.14 |
| Gross Margin % in Q3-17 | 29.87 |

Revenues and Margins, Historical Trend



Consolidated Key Balance Sheet Data

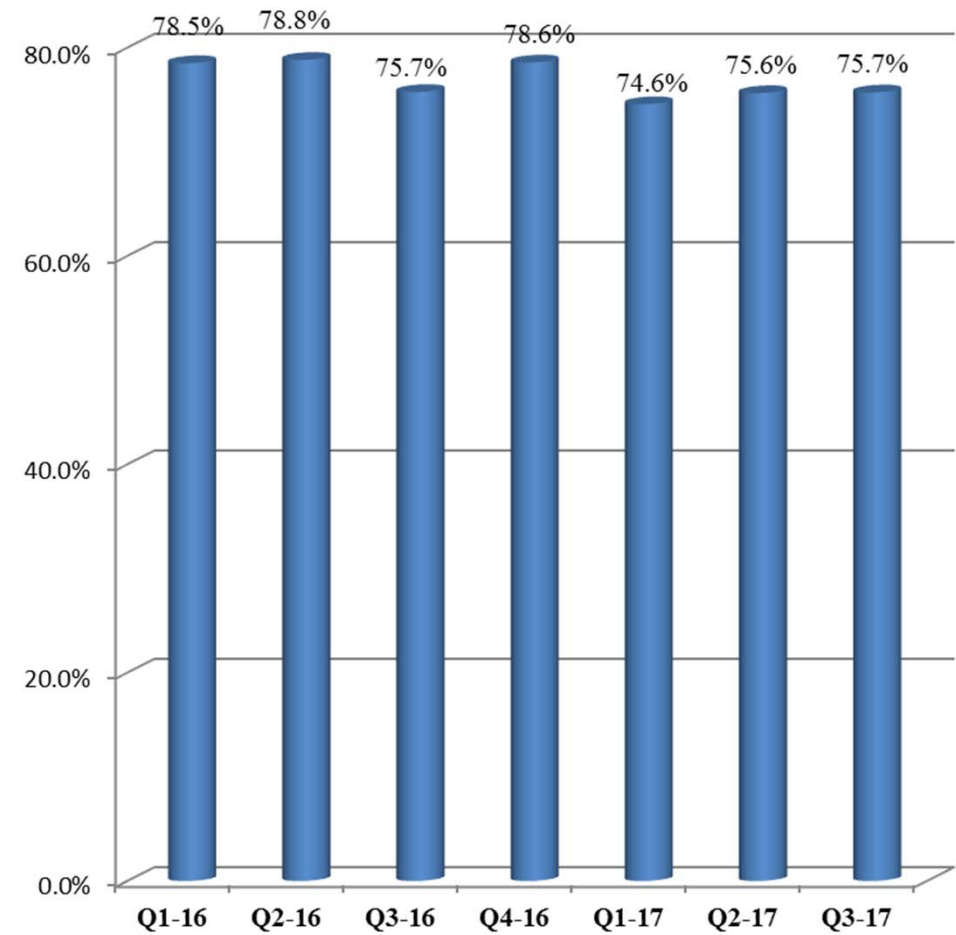
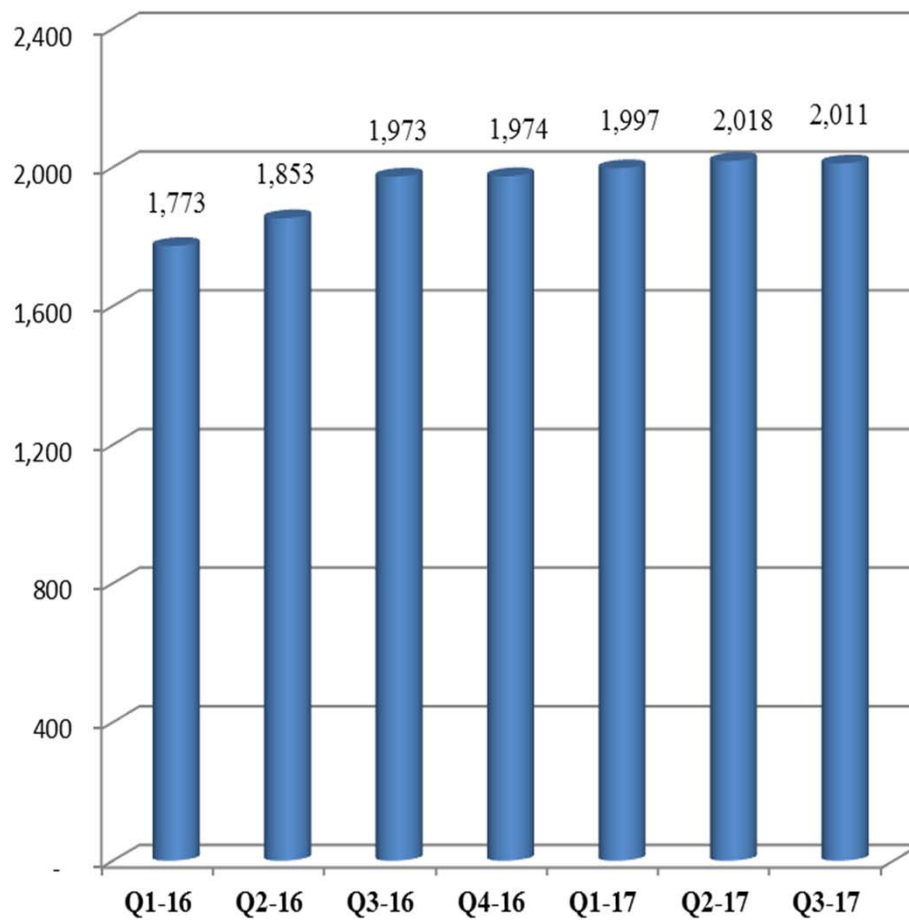


Rupees in Crores except "DSO"

| | As at Sep 30, 2017 | As at Jun 30, 2017 |
|----------------------------------------------|-----------------------|-----------------------|
| Share Holders' Funds | 297.30 | 286.84 |
| Receivables | 101.93 | 103.63 |
| Receivables in days "DSO" for the quarter | 49 | 48 |
| Cash & Bank * | 151.81 | 135.09 |
| Fixed Assets | 33.03 | 33.82 |

* Including investments in liquid funds and fixed deposits with banks

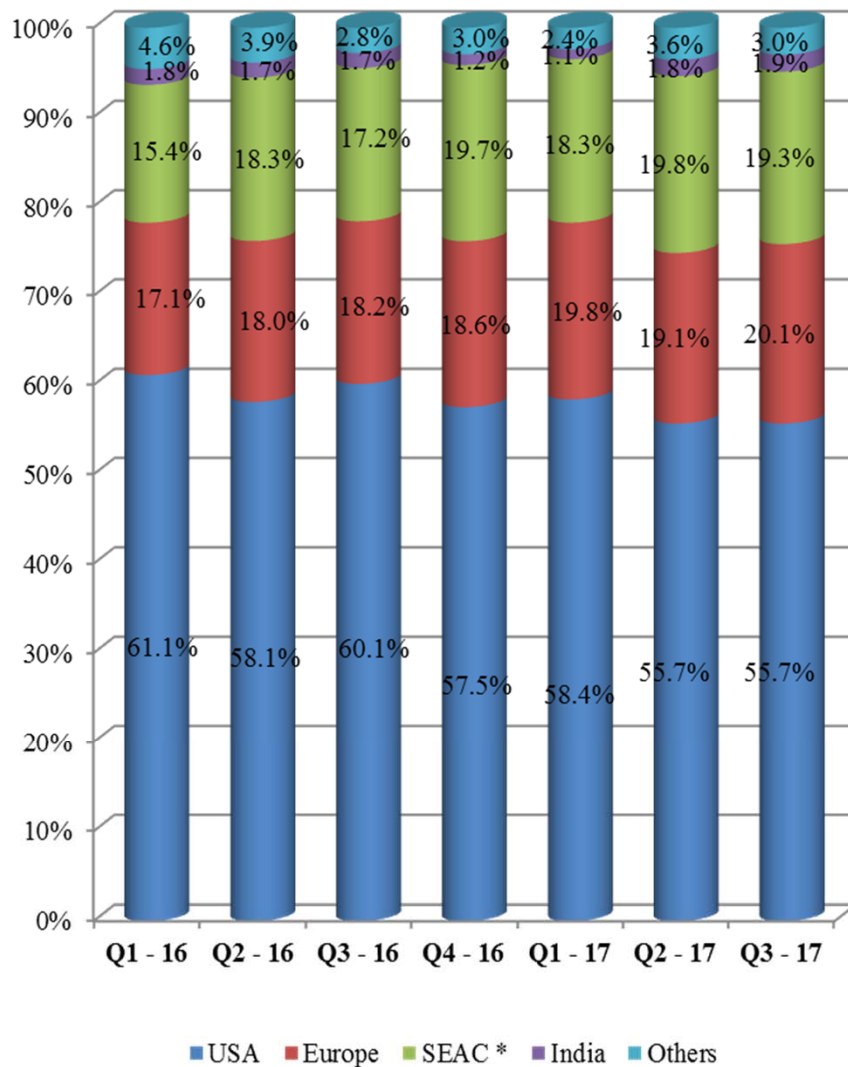
Billable Head Count and Utilization



Yearly Revenue Break-Down

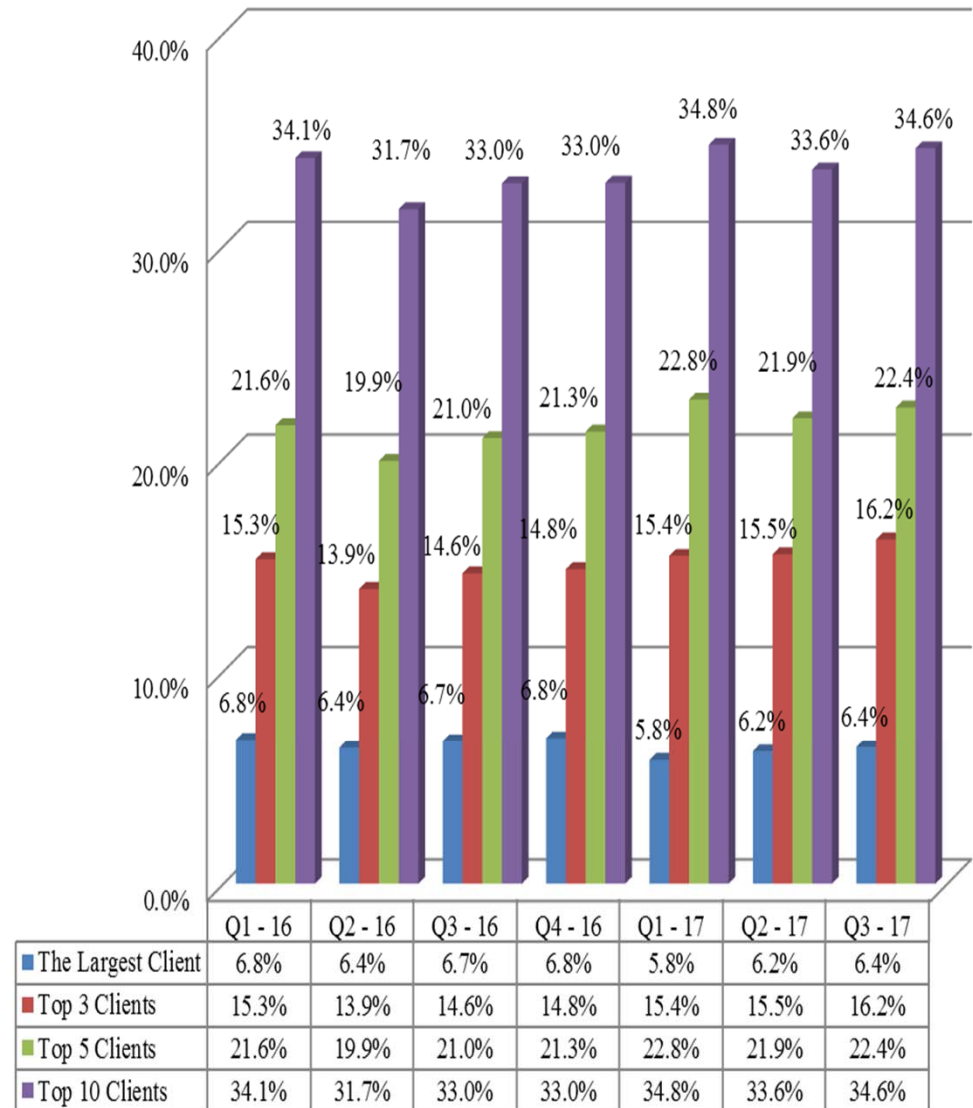


By Geography



* South East Asian Countries

Client Concentration



- Performance for the Year 2017 was impacted by Rupee appreciation and investment in newer technologies and sales activities.
- Strong Cash Balance Rs 152 crores to grow organic and inorganic.
- Business environment is encouraging for digital technologies.
- Our digital and sales activity investments are gaining traction but will take a quarter or so to give visible results.
- Continue Focus for 2017:
 - Partnering with clients in building robust and agile digital ecosystems;
 - Strengthening offerings around digital technologies;
 - Software engineering to be the driver for profitable growth.
 - Strong balance sheet to invest for future growth.

Contact Information

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Thank You
For Your Support