



AGM 2023

Chairman's Speech

Ladies & Gentlemen,

Before we start the meeting, I would like to introduce my colleagues on the Board, Mr. R. Ramaraj, Mrs. Sarita Jain, Mr. Richard Launder, and Mr. C S Mohan. Our Statutory Auditor, Mrs. Nilima Joshi, Chaturvedi & Co. is also present here along with Mr. Vijendra Surana, our CFO & Company Secretary, and Mr. Mohan Ram Goenka, Practicing Company Secretary & Scrutinizer for this meeting

With great pleasure, I welcome you all to the thirty-fifth Annual General Meeting of your Company, RS Software (India) Limited.

In March this year our director, Mr. Shital Kumar Jain, passed away. Mr. Shital Kumar Jain was one of the oldest Directors of the Company and his sudden and unexpected passing away is an irreparable loss to the Company. All the Directors and Employees of the Company convey their heartfelt condolences to his family. The Board pays its tribute and gratitude for the contribution he has made to the Company. I request that we observe one minute of silence as a mark of respect to the departed soul.

The Directors Report and the Auditors Report for the year ending 31st March 2023 are already with you and with your kind permission, I take them as read.

With great pleasure, I report that your company is back to positive profitability and is generating cash. It's been a long hard journey of 6+ years and I thank each of you for your patience and for reposing faith in us. The board finalized the results for the first quarter of this fiscal, and we have reported a profit of Rs 23 million and cash generation of Rs 32 million. The gross contribution from business has increased almost 7 times as compared to the same quarter last fiscal year, and consolidated profit has gone up by 44% as compared to the immediate past quarter. We are enhancing our management bandwidth to bring about major improvements in our sales functioning and are confident that our business partnerships are starting to show results. In addition, we have put a much stronger focus on our cost management process.

During the last fiscal year 2022-23, we have seen major validation of our core capabilities in building world-class payment platforms.

You are all aware that we have an excellent track record of getting back to success. RS Software continues to make good strides in executing its strategy of serving leaders in digital payments. We are pursuing our turnaround with resilience unknown, and unrivalled passion that tests itself against setbacks and trials to rise from the ashes. We have achieved a delicate balance between financial stability and the ability to compete in a market that has the making of a multi-decade opportunity. We continue to transform India with the power of digital payments, helping it to be the gold standard globally in payments. It's been quite a journey and we are confident that we

are on the right path to pursue the growth opportunities available in payments. The company is well prepared to leverage the multi-decade growth opportunity in payments and is making good progress on capturing the demand side. Our partnership strategy is rewarding us well, and we are starting fiscal '24 with a pipeline of revenue not seen for years.

I am pleased to say that your company is truly demonstrating the famous words **“All you need is faith in your abilities. Resilience is knowing that you are the only one that has the power and the responsibility to pick yourself up.”** Each day of our corporate journey we draw inspiration from our commitment to serve our shareholders to the best of our abilities. Your company is now amongst the few companies globally to qualify to play an important role in this payments modernization journey.

There are many firsts that RS Software has already achieved:

- ❖ 40% of global digital payments transactions in 2021 were processed on platforms that RS Software has either helped to build significantly or has built exclusively.
- ❖ Our product suite is demonstrating success in modernizing the central digital payment infrastructure, both here in India, Canada, and America, and has bids in place in other parts of the world.
- ❖ The powerful combination of digital assets, frameworks, and knowledge repositories of the company is helping the banks to develop a new playbook to serve their customers with high levels of engagement and trust in

payments and to build the foundation to monetize the modernized central payment infrastructure.

- ❖ RS Software is the only company globally to have implemented on a national scale, the unique combination of Real-time payment rail and the overlay layer that includes fraud and risk management that is so critical in the Real-time payment ecosystem.

Banks enjoy the highest reach to both consumers and businesses globally and the customers have trust in their financial institutions. This is what has created the banking advantage: customer trust - and herein lies the opportunity for the banks to not only maintain their share of the market in payments but to be on a path to increase it further. Regulators across the globe are committed to opening up the payments market, with the twin goal of achieving financial inclusion and lowering the cost of payments. RS Software, with its vision of creating payments at the speed of thought, foresees possibilities when payment networks will pay consumers to have their transactions processed on their network, to get access to the consumer data. Open banking with Open data is fast becoming a major market demand – creating the most significant way of monetizing modernized payment infrastructure. For the banks, it's time to reimagine the customer journey in the digital payments ecosystem. Innovation is already enabling scenarios where small businesses may never have to interact with a traditional bank. RS Software is in discussion with its partners, whereby the product suite of the company can combine to enable logging into businesses' e-commerce or accounting platforms that are integrated with the bank, and with that they can

open a deposit account, order a debit card, and meet a good part of their financing needs. According to McKinsey's think tank, the potential operators of these platforms are software companies that partner with banks and technology providers to embed financial products into a single seamless, convenient, and easy-to-use customer experience. This new form of partnership between banks, technology providers, and distributors of financial products via non-financial platforms underpins what has been hailed as the embedded-finance revolution. Sitting at the intersection of commerce, banking, and business services, payments has been one of the first use cases of embedded finance, and many aspiring embedded finance providers originate from the payments industry.

In Essence

I would like to reiterate that RS is taking bold, rather than timid, investment decisions in areas where opportunities to serve leaders in electronic payments can deliver market leadership advantages. Our work in India over the last two years is an important example. For the first time, we were able to bring our years of payments expertise to bear on the Indian payments infrastructure – and we're delighted to see how these new systems have delivered significant value to India.

Our commitment to building value over the long term may result in RS making decisions and weighing tradeoffs differently than some companies. We have made tough decisions to adjust and adapt our strategy to better meet the electronic payments evolution in global markets. Digital payments are fundamental to

changes we all experience every day – and our company is dedicated to playing an important role in their evolution.

We believe that a fundamental measure of our success will be the shareholder value we create over the long term. This value will be a direct result of our ability to extend and solidify our position as an industry leader which has an exclusive focus on the domain of digital payments.

At RS we are devoted to earning the trust and respect of our shareholders, customers, and employees. It's our constant focus. I am excited and honored to work with the great people of RS who have made our success possible – and who constantly help lead us further into the exciting future of digital payments. They are truly special, and it is an extraordinary privilege for me to be able to work with them.

We are confident that our enhanced strategy and changed business model have the potential of achieving significantly higher market capitalization in the next 5 years, as compared to the past 5 years. We are at the intersection of a highly promising payments industry future, and of a world changing at a rapid pace to enjoy the miracles of digital technology. This journey will require patience and faith from all our stakeholders, knowing that at the end of this period, we will emerge a significantly stronger company. The returns to all our stakeholders will be a lot more rewarding than during the past five years.

Your Company has the financial foundation, has been debt-free for several years, and is coupled with cash reserves to achieve these objectives. We continue to

enrich our management bandwidth to execute our new business model. We utilize our Silicon Valley presence to leverage the best practices of the innovation economy and access industry leaders that provide us with payments thought leadership. We have a highly esteemed Board of Directors with a track record of mentoring us with the best management practices.

It is for these reasons that I am optimistic that RS Software is at the onset of a robust growth journey.

I offer my sincere thanks to the members of the Board who guide the company with their wise counsel, the management team that continues to put in significant efforts, and of course every member of the RS family who is working with total commitment to achieve the growing success of the company. The company will continue its commitment to corporate social responsibilities. I would like to thank you for your gracious presence at this meeting and the continued faith and support that you have tendered toward the company. On behalf of the management and employees of your company, I assure you that we will put our best efforts into transforming and scaling the company to new heights of success.

Thanking You,

Chairman

R S Software (India) Limited